

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2001



Department of Finance
12000 Government Center Parkway
Fairfax, Virginia 22035
(703) 324-3120

COUNTY OF FAIRFAX, VIRGINIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2001

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Introductory Section

The Introductory Section contains the letter of transmittal, which provides an overview of the County of Fairfax's finances, economic prospects, and achievements. Also included in this section is the Certificate of Achievement for Excellence in Financial Reporting awarded by the Government Finance Officers Association. It is the highest form of recognition in governmental financial reporting.

The Board of Supervisors
County of Fairfax
Commonwealth of Virginia

November 16, 2001

Madam Chairman and Members of the Board:

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the County of Fairfax, Virginia (County) for the fiscal year ended June 30, 2001, in accordance with the *Code of Virginia*. The financial statements included in this report conform to generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds, account groups and component units of the County. All necessary disclosures have been included to enable the reader to gain the maximum understanding of the County's financial affairs.

The letter of transmittal is traditionally addressed to the governing or legislative body. We believe that the CAFR should be management's report to constituents, oversight bodies, resource providers, investors and creditors. This letter is addressed to you, and by wide circulation it is also directed to the citizens of Fairfax County and all other interested readers. In addition to complying with legal requirements, Fairfax County has a strong tradition of full financial disclosure. This transmittal letter, the financial statements, supplemental data, and the statistical tables contained herein reflect this philosophy.

All the funds and account groups of the reporting entity are included within this report. As used here, the reporting entity comprises the primary government (County of Fairfax as legally defined) and its component units. Under GASB pronouncements, component units are legally separate entities for which the primary government is financially accountable. The component units of the County include both blended component units and discretely presented component units. Blended component units, although legally separate entities, are in substance part of the primary government's operations and are included as part of the primary government. Accordingly, the Solid Waste Authority of Fairfax County, the Small District One and the Small District Five are reported as part of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position, results of operations, and cash flows from those of the primary government. The Fairfax County Public Schools, the Fairfax County Redevelopment and Housing Authority, the Fairfax County Park Authority, and the Fairfax County Economic Development Authority are reported as discretely presented component units.

This report is presented in three parts: the introductory, financial, and statistical sections. The introductory section includes this letter of transmittal, a list of the County's principal elected and appointed officials, the organizational chart, and the Government Finance Officers' Association's Certificate of Achievement for Excellence in Financial Reporting. The independent auditors' report that provides the auditors' opinion on the financial statements is included with the financial section, which also contains the general purpose financial statements, combining and individual fund, account group, and component unit financial statements and schedules. The statistical section contains selected financial and demographic information,

generally presented on a multi-year basis, and includes a discrete sub-section pertaining to Rule 15c2-12 on continuing bond disclosure under the Securities and Exchange Commission Act of 1934. The Single Audit Report, which is required for federal grant recipients, is issued separately.

GOVERNMENTAL STRUCTURE

The County is located in the northeastern corner of Virginia and encompasses a land area of 399 square miles. The County is part of the Washington, D.C. metropolitan area, which includes jurisdictions in Maryland, the District of Columbia and Northern Virginia.

The Fairfax County government is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors, which sets policy for the administration of the County. The Board of Supervisors comprises ten members: the Chairman, elected at-large for a four-year term, and one member from each of nine districts, elected for a four-year term by the voters of the district in which each member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

Cities and counties in Virginia are discrete units of government that under Virginia law may not be overlapping districts. Fairfax County surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Properties within these cities are not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. The County does, however, provide certain services to the city residents pursuant to inter-municipal agreements.

The incorporated towns of Clifton, Herndon, and Vienna are underlying units of government within the County. The ordinances and regulations of the County, with certain limitations prescribed by State law, are in effect. Properties in these towns are subject to County taxation, and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the approval of the County.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The Fairfax County economy performed relatively well on all levels during fiscal year 2001. The Fairfax County Coincident Index, which represents the current state of the County's economy, was 130.9 in July 2001, a 2.3 percent increase from July 2000. The County's employment base added more than 30,000 new jobs during this year, an increase of nearly 6 percent; this continuing job growth in the face of layoffs in the technology sector demonstrates the broad-based strength of the County's economy and has supported continuing income growth and consumer spending. Growth in the median sales prices for both new and existing homes remained strong throughout fiscal year 2001, with percentage increases ranging from 10 to 20 percent for the various types of housing.

However, the slowdown in the national economy as fiscal year 2001 progressed has affected the County's economy. As of July 2001, the Coincident Index had declined for five of the last six months. The Fairfax County Leading Index, which is designed to forecast the performance of the County's economy nine to twelve months hence, was at 103.3 in July 2001, a decline of 3.8 percent from its July 2000 level. Also, the terrorist attacks of September 11, 2001 have had an adverse impact on the County's economy. For fiscal year 2002 to date, County revenues from sales and occupancy taxes, fees for building permits and inspections, and interest on investments are significantly below earlier projections. To ensure that fiscal year 2002 expenditures are in line with current revenue projections, the County Executive has directed General Fund and General Fund supported agencies, except for those agencies responsible for public safety, security and public health, to reduce their operating budgets by 5 percent.

Economic Development

Economic development activities of the County are carried out through the Fairfax County Economic Development Authority (EDA) whose commissioners are appointed by the Board of Supervisors. The EDA promotes Fairfax County as a preferred location for business start-up, relocation and expansion; capital investment; and business travel and events. It works with new and existing businesses to help identify their facility and site needs and assist in resolving County-related issues. Pursuant to its enabling legislation, the EDA encourages investment in the County with tax-exempt industrial revenue bond financing.

Through its Convention and Visitors Bureau, the EDA attracts meetings, conferences and business travel to the County and encourages local private sector support for this effort; and draws visitors to the County's historic, cultural and recreational attractions.

The Center for Innovative Technology, chartered by the Commonwealth of Virginia in 1985, promotes economic development and competitiveness through many programs designed to promote Virginia as a leader in technology. It offers a wide variety of services to technology-based businesses through its relationships with state colleges and universities, regionally based manufacturing centers, business organizations and federal laboratories.

The base of technology-oriented companies, particularly in computer software development, computer systems integration, telecommunications, and Internet and Internet-related services, has served as a strong magnet for the expansion and attraction of business and professional services. Diversified business and financial services have added to the demand for prime office space in a number of key employment centers throughout the County. Major corporations such as American Management Systems (AMS), BTG, Booz-Allen & Hamilton, Cable & Wireless Communications, CapitalOne Financial, Federal Home Loan Mortgage Corporation, General Dynamics, Leica Microsystems, Logicon and Oracle have located their corporate headquarters in Fairfax County.

Nearly 12.7 million square feet of office space were absorbed in Fairfax County in 2000. The total inventory of office space in the County was estimated at 93.6 million square feet in 2000. Industrial/hybrid space in the County was estimated at 37.1 million square feet. Vacancy rates for the office market and industrial/hybrid markets were 3.5 percent and 3.6 percent, respectively, in 2000. Fairfax County is the tenth largest suburban office market in the United States.

As of 2000, there were 93 hotels with 75 or more rooms completed or under construction in the County, totaling more than 16,300 hotel rooms. This development parallels commercial construction in terms of diversity of concept and design with new product and service mixes (all-suites, business meeting facilities and recreational facilities) brought into the marketplace. National chains such as Best Western, Comfort

Inn, Doubletree, Embassy Suites, Hampton Inn, Hilton, Holiday Inn, Hyatt, Marriott, Motel 6, Ritz-Carlton and Sheraton currently have a wide range of hotel facilities in the County.

The 16-mile Dulles Toll Road provides access from Washington, D. C. through Tysons Corner and Reston-Herndon (the largest business centers in the County) to Washington Dulles International Airport, on the County's western edge. Additionally, a 14-mile extension of the Dulles Toll Road, the privately financed Dulles Greenway, connects the airport with Leesburg west of Fairfax County in Loudoun County.

Washington Dulles International Airport has experienced a significant increase in service levels and demand in recent years, serving as a catalyst for corporate activities dependent on immediate access to air travel. Dulles serves nearly 60,000 passengers daily with nonstop flights to 80 U.S. cities and 28 foreign markets. On the East Coast, the airport is the fifth largest international gateway. More than twenty million passengers, including more than 4.2 million international travelers, flew in and out of Washington Dulles in 2000. Six major improvement projects are currently planned at the airport, including major interior upgrades, an automated train system, parking garages, and a new concourse.

In January 1990, the Smithsonian Board of Regents selected 176 acres of Washington Dulles International Airport as the site for the Smithsonian National Air and Space Museum, Dulles Center. More than 280 rare and historic aircraft and spacecraft including the Space Shuttle Enterprise will be displayed at Dulles Center, a \$238 million expansion of the airport. Ground breaking for the 760,000 square-foot museum was held in October 2000, and construction began in January 2001. The doors are slated to open in time to celebrate the 100th anniversary of the Wright Brothers' first powered flight on December 17, 1903.

The Board of Supervisors and the County have supported the redevelopment of the County's more mature business areas. The revitalization of seven designated commercial areas of the County is underway in Annandale, Bailey's Crossroads/Seven Corners, the Lake Anne section of Reston, the Springfield and McLean central business districts, Merrifield and the Richmond Highway corridor in the southeastern portion of the County. A number of capital improvements, in process or completed, have enhanced these communities.

Employment

Approximately 28,000 payroll businesses, including corporate and regional headquarters, information technology firms, sales and marketing offices, and business services are located within Fairfax County. Local businesses create employment in such diverse areas as computer software development and systems integration; telecommunications; Internet and Internet-related services; wholesale and retail trade; and financial services.

Unemployment in the County has historically been and continues to be well below national and statewide averages. The 2000 average unemployment rate was 1.3 percent in the County. State and national 2000 unemployment rates were 2.8 percent and 4 percent, respectively. According to the Virginia Employment Commission, the number of jobs in the County was 538,384 as of March 2000, up from 487,113 in March 1999. This figure does not include self-employed persons or agricultural employment.

Demographic Information

Fairfax County added an average of about 22,200 persons per year to its population between 1980 and 1990. In 1980, Fairfax County was the third most populous jurisdiction in the Washington, D.C. metropolitan area, as defined by the U.S. Bureau of the Census. By 1990, Fairfax County, with 818,584

residents, had become the most populous jurisdiction. Population growth during the 1990s slowed somewhat in Fairfax County. On average, about 14,200 persons per year were added to the population between 1990 and 2000. The estimated population in 2001 is 983,000. Based on the early results of the 2000 Census, Fairfax County had the highest annual median household income (\$90,937) of all the 3,141 counties in the United States. Median household income in Fairfax County was estimated at \$87,569 in 1999.

Single-family detached housing units continue to account for the majority of the housing units within Fairfax County, representing 50.3 percent of the total in 1999. Townhouses account for 21.2 percent; garden units, 20.3 percent; and high-rise and mid-rise units, multiplex units and mobile homes together made up the remaining 8.2 percent. As of January 1999, the median market value of owned housing units (including condominiums) in Fairfax County was estimated to be \$192,110, an increase of 3.5 percent over 1998.

Public Schools

Fairfax County Public Schools (FCPS) is the largest educational system in the Commonwealth of Virginia and is the twelfth largest in the continental United States. The Board is composed of nine magisterial (election) district representatives plus three at-large members with each member serving a four-year term. A student representative, selected for a one-year term, participates in discussions but does not vote. The operating costs of FCPS are provided primarily by transfers from the General Fund of the County to the School Board; additional funds are provided by the federal government and the Commonwealth of Virginia. Capital funding for public school facilities is provided primarily by the sale of general obligation bonds of the County. FCPS has developed a wide variety of programs designed to meet the individual needs of students and to enhance academic achievement. A full range of programs, such as English for speakers of other languages (ESOL), intervention initiatives, Head Start, special needs schools, meals for disadvantaged children, and grade one reduced ratio serving at-risk students, are operated by FCPS. Two major initiatives, Project Excel and Success by Eight, have been implemented to improve student achievement in the early years.

Programs for gifted students are available at all grades in all schools and qualified students may attend Thomas Jefferson High School for Science and Technology (TJHSST), which is designated as one of the Governor's magnet schools for science and technology. Students from other Northern Virginia counties are admitted to TJHSST on a tuition-paying basis. There is a strong academic program Countywide for college-bound students. Approximately 92 percent of the June 2001 high school graduates enrolled in post-secondary educational programs. The National Merit Scholarship Corporation announced that 201 FCPS seniors, representing 17 County high schools, had been named semifinalists in the 2002 National Merit Scholarship program. TJHSST had 151 semifinalists, making it the number one school in the nation for ten of the last eleven years based on the number of semifinalists. This year's 201 semifinalists make up more than half, or 52 percent, of Virginia's semifinalists. In 2001, FCPS students registered an average combined verbal and math SAT score of 1,093. The combined average score for Virginia was 1,011, and the national average was 1,020.

An extensive program for students pursuing opportunities in technical careers also has been developed. Various courses are offered in business, health occupations, industrial technology, marketing, trade and industrial, and work and family studies program areas. In addition, there are special programs offered for gifted children and for physically-challenged children ages 2 through 21. A comprehensive summer school program for students in the general academic program as well as for special education students is offered. FCPS also provides an extensive adult education program offering basic education courses and

general education, vocational and enrichment programs. During the 2000-2001 school year, more than 81,452 persons were enrolled in the adult education programs.

Enrollment from 1998-2001 has increased by approximately 3,500 students per year. As student enrollment increases, FCPS projects that more than 16,200 new students will enter the system by the school year 2005-06. Enrollment has grown consistently from year to year.

Colleges and Universities

Four institutions of higher education are located in Fairfax County: George Mason University, Northern Virginia Community College (NVCC), the Virginia Polytechnic Institute and State University and the University of Virginia – the latter two located in the Northern Virginia Graduate Center - and the recently opened University of Virginia Darden School of Business. George Mason currently has an enrollment of approximately 24,000 students in more than 100 disciplines, including doctoral programs. NVCC has approximately 60,000 students in 30 credit-earning programs and 300,000 students in non-credit courses and public service activities in five campuses in Northern Virginia. NVCC has broken ground on a biomedical training campus in the County's Springfield community. American University, George Washington University, Catholic University and Virginia Commonwealth University also operate programs in the County's secondary schools and on military installations within the County.

Cultural Programs

Wolf Trap Farm Park for the Performing Arts, a cultural facility internationally renowned for the number and quality of its ballet, symphony, concert, and opera offerings, and the only national park for the performing arts in the U.S., is located in the northern part of Fairfax County. The County also assists in supporting the Fairfax Symphony, an internationally recognized 94-member orchestra that provides a variety of musical programs and outreach services to County residents. Other well-known attractions in the County include Mount Vernon, the home of George Washington; Woodlawn Plantation, George Washington's wedding gift to his nephew; and Gunston Hall, home of George Mason, author of the U.S. Bill of Rights and the first Constitution of Virginia.

MAJOR INITIATIVES AND ACCOMPLISHMENTS

Transportation

The Fairfax County Parkway/Franconia-Springfield Parkway, a joint project of the County and the Virginia Department of Transportation (VDOT) provides a 35-mile, intra-County connection from Route 7 in the northwest corner of the County to Route 1 in southeastern Fairfax County. With the opening of two segments last winter and two more by the end of 2001, 32.5 miles of this major artery will be completed.

The Washington Metropolitan Area Transit Authority's (WMATA) rail and bus services were expanded during fiscal year 2001, and construction of the Franconia-Springfield parking garage expansion is scheduled to begin in early 2002. During fiscal year 2001, the County purchased 39 new buses at a total cost of \$10.6 million to improve and expand the services of its FAIRFAX CONNECTOR bus system, which primarily provides commuter service to ten of WMATA's rail stations. The County continues to fund its share of WMATA's capital and operating subsidy requirements to operate a regional rail and bus system. The County also continues to fund its share of the operating subsidy requirements of the Virginia Railway Express, which is a joint effort of the Commonwealth and several Northern Virginia jurisdictions to provide commuter rail services.

VDOT has nearly completed Phases II and III of a huge, eight-phase project to reconstruct the two I-95/I-395/I-495 Springfield interchanges. The total cost of this project, which is scheduled for completion in 2007, is approximately \$585 million and includes the construction of three park-and-ride lots to help mitigate traffic congestion.

Construction of a twelve-lane, side-by-side drawbridge to replace the existing I-95/I-495 Woodrow Wilson Bridge, which spans the Potomac River south of Washington, D.C., was begun in late 2000. This joint project of the Federal Highway Administration, VDOT, the Maryland Highway Administration and the District of Columbia will cost approximately \$2 billion, including the reconstruction of the Route 1 and Telegraph Road interchanges. The new bridge structure is scheduled for completion in late 2004, and completion of the entire project is anticipated in 2011.

Preservation of Open Space

The Fairfax County Park Authority celebrated its 50th anniversary in fiscal year 2001 with a record setting pace of land acquisitions totaling 2,056 acres, bringing total county parkland held in trust for citizens to more than 20,000 acres. With the closing of the Lorton prison complex, it is anticipated that approximately 2,000 acres of the 3,100 acre site will be designated as open space.

County residents have strongly supported land preservation initiatives. A recent park bond referendum received strong endorsement by 71% of the voters. In the spring of 2001, a request for donations to support the Park Authority that was included with the personal property tax mailings resulted in contributions in excess of \$137,000 being received from more than 3,200 individual donors.

In order to continue to protect, sustain and fund recreational, environmental and educational needs of future generations, a private, non-profit foundation has been established. This non-profit foundation, the Fairfax County Park Foundation, is dedicated to preserving the county's natural resources, protecting its historic and cultural resources, and enhancing recreational and leisure opportunities. The Foundation's goal is to raise private donations to supplement tax dollars and user fees that support parks. The Foundation's activities have begun in earnest with the appointment of a Director in July 2001.

Information Technology

The County is committed to investing in the innovative, efficient use of information technology across all service delivery lines of business. That commitment was expressed in fiscal year 2001 through a wide range of initiatives, touching virtually all citizen service areas. The County's e-Government initiatives are designed to extend and expand cost effective and convenient information and services. This has been accomplished through multiple communication methods so as to reach users throughout the community. Thus, recent initiatives utilize the Internet, the telephone (for interactive voice response technology assistance), information kiosks located across the County, and over-the-counter centralized information resources. Success of these initiatives is seen in the growing utilization of these resources and customer demand for additional uses of these technologies. The County's leadership in this field is evident by the number of jurisdictions who look to Fairfax County for "best practice" comparisons. Likewise, a number of professional organizations and trade publications have featured the County's approach and success in discussions of the direction of e-Government.

During fiscal year 2001, citizen access to automated payment tools was expanded by implementation of "electronic-check" processing, permitting payment of parking tickets and fines for red light violations from one's checking account over the Internet. Access to information on real estate transactions within a specified neighborhood was added as an enhancement of the existing capability to obtain data by query

on individual properties. Through an interactive Web mapping application, an online query of data for a real estate parcel now is accompanied by the associated property map, including the capability to zoom and navigate the map, and to display sales, assessment, and building description data for individual properties.

Interactive Voice Response, a technology for accessing information stored on a County computer and for passing data to a computer by telephone, was brought to use in such diverse applications as queries regarding Health Department clinic services, scheduling of special trash pickups, and access to the Police Department's Victim Services Information Line.

Expanding the availability of Internet services in County households and businesses offers opportunities for significant efficiencies and service improvements. Among fiscal year 2001 initiatives are systems which permit one to view proffer images, to schedule or cancel inspections, and to query the status of inspection permits and structural plan approvals. The County maintains a powerful computerized Geographic Information System (GIS). This system comprises approximately 50 million data elements relevant to the 399 square miles of Fairfax County, including data on more than 250,000 buildings, 3,400 miles of roads, 325,000 parcels of land, 340,000 addresses, and 2,800 miles of waterways. Initiatives in fiscal year 2001 utilizing the GIS capability included planning by the Health Department for West Nile virus threat response, digitized bus routes for transit planning, and direct digital recording and updating of parcel and zoning data, making it available to citizens online, around the clock.

The County has maximized its investment in information technology by developing a comprehensive, collaborative strategic plan. This plan emphasizes public access, county-wide agency access, standardized hardware and software, continual modernization and expansion of network capacity, and resources dedicated to developing a variety of technical skills.

FINANCIAL OVERVIEW

Budgetary and Accounting Controls

The *Code of Virginia* requires that the County adopt a balanced budget. The County maintains extensive budgetary controls at certain legal and managerial/administrative levels. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained and controlled at the fund, department, and character or project level. Any revisions that alter the total expenditures of any agency or fund must be approved by the Board of Supervisors.

Two budget reviews, the Carryover Review and the Third Quarter Review, serve as the primary mechanism for revising appropriations. State law requires that a public hearing be held prior to the adoption of amendments to the current year budget when adjustments exceed \$500,000. In addition, any amendment of \$500,000 or more requires that the Board advertise a synopsis of the proposed changes. As a matter of Board policy, any adjustments made during the fiscal year are not to exceed two percent of the adopted General Fund appropriations.

Under the County's budgetary process, outstanding encumbrances at the end of the fiscal year are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be re-appropriated in the subsequent fiscal year. All appropriations lapse at fiscal year end.

The County's Department of Management and Budget is authorized to transfer budgeted amounts between characters or projects within any agency or fund. The budget process is controlled at the

character, grant or project level by an appropriation system on the automated financial system. Purchase orders are encumbered prior to release to vendors, and those that exceed character level appropriations are not released until additional appropriations are available.

In September 1999, the Board of Supervisors approved the establishment of a Revenue Stabilization Fund, which is included in the General Fund for reporting purposes, to provide a mechanism for maintaining a balanced budget without resorting to tax increases and expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The Board established the fund under the condition that it will not be used as a method of addressing the demand for new or expanded services, but will be used solely as a financial tool in the event of an economic downturn, and then only under certain parameters. The Revenue Stabilization Fund has a targeted balance of 3.0 percent of General Fund disbursements and is separate and distinct from the County's 2.0 percent Managed Reserve, which was initially established in fiscal year 1983. The aggregate of both reserves will not exceed 5.0 percent. As of June 30, 2001, the Revenue Stabilization Fund and Managed Reserve balances were \$24,321,431 and \$43,655,492, respectively.

The County's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. The valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal, state, and local financial assistance, the County also is responsible for maintaining an adequate internal control structure to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management, the internal audit staff of the County, and independent auditors.

As part of the County's single audit, tests were made of the County's internal control structure and of its compliance with applicable laws and regulations, including those related to major federal financial assistance programs. This testing of major federal financial assistance programs for the year ended June 30, 2001, disclosed no material internal control weaknesses or material violations of laws and regulations. The Single Audit Report is published under separate cover.

Governmental Fund Operations

The County's governmental funds comprise the general fund, special revenue funds, debt service funds, and capital projects funds.

REVENUES:

Governmental fund revenues (as shown in Exhibit A-1 of the General Purpose Financial Statements) totaled \$2.4 billion in fiscal year 2001, an increase of \$173.7 million or 7.9 percent from fiscal year 2000.

Revenues				
Governmental Funds - Fiscal Year 2001				
	Amount (000)	Percent of Total	Increase (Decrease) over FY 2000	
			Amount (000)	Percent
General government revenues:				
Taxes	\$ 1,785,431	75.1 %	\$ 95,060	5.6 %
Permits, privilege fees and regulatory licenses	39,535	1.7	(4,301)	(9.8)
Intergovernmental	321,997	13.5	72,547	29.1
Charges for services	123,039	5.2	3,541	3.0
Fines and forfeitures	9,117	0.4	1,537	20.3
Developers' contributions	5,276	0.3	(226)	(4.1)
Revenues from the use of money and property	70,590	3.0	7,886	12.6
Recovered costs	10,113	0.4	2,270	28.9
Other (1)	10,703	0.4	(4,612)	(30.1)
Total	\$ 2,375,801	100.0%	\$ 173,702	7.9 %

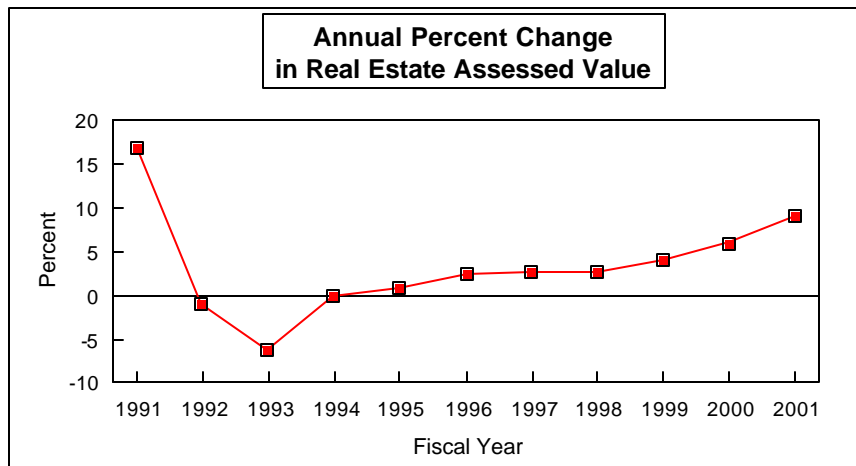
Source: Fairfax County Department of Finance

Note: Amounts shown represent the Primary Government.

(1) Includes local matching grants, gifts, donations, contributions, donated food and other items. See Exhibit A -1

Total tax revenues amounted to approximately \$1.79 billion, an increase of \$95 million or 5.6 percent from fiscal year 2000. Tax revenues in the General Fund increased by \$83.9 million, primarily the result of increases of \$85.2 million in real estate taxes and \$10.3 million in business license taxes, combined with a decrease of \$18.4 million in personal property taxes.

Real Estate Taxes: The *Code of Virginia* requires that all real property be assessed at 100 percent of fair market value. The assessed value of real estate, other than that owned by public utilities, governmental entities, or other tax-exempt organizations, totaled approximately \$87.3 billion, which compares to approximately \$80.2 billion for fiscal year 2000. The real estate tax rate was \$1.16 from fiscal year 1993 through fiscal year 1996 and was increased to \$1.23 beginning in fiscal year 1997. For a historical perspective on the change in tax rates, see Table 5 of the Statistical Section. The increase in real estate assessed value is accounted for by a 5.13 percent increase in equalization and a 3.81 percent increase in normal growth associated with new properties in the County. The fiscal year 2001 real estate tax revenue of \$1.086 billion reported in the General Fund represents an increase of 8.5 percent from the fiscal year 2000 tax revenue of \$1 billion.



Source: Fairfax County Department of Management and Budget

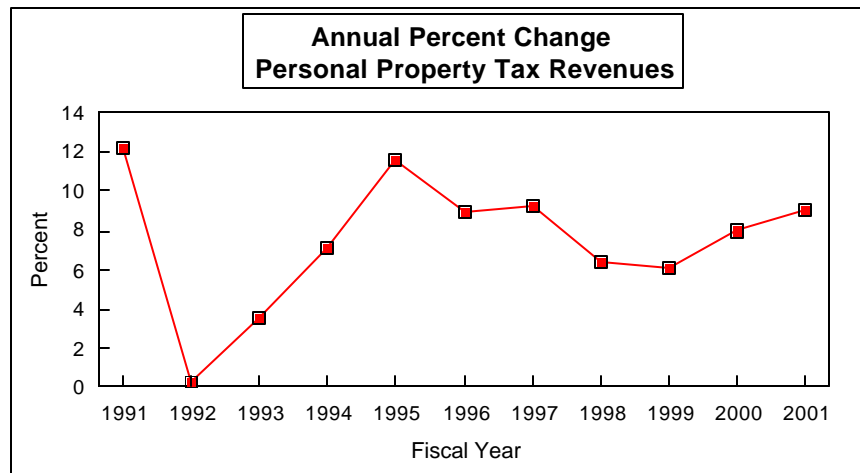
The collection rate for real property is estimated to be 99.53 percent and is shown in the table below along with historical collection rates:

Real Estate Tax Collection Rates	
Fiscal Year	Collection Rate (%)
1992	98.87
1993	99.03
1994	99.11
1995	99.27
1996	99.16
1997	99.33
1998	99.54
1999	99.51
2000	99.63
2001	99.53

Source: Fairfax County Department of Tax Administration

Personal Property Taxes: The County assesses personal property taxes on automobiles, trucks, motor homes, mobile homes, campers, motorcycles, trailers, boats, outboard motors, airplanes, and business personal property. The County prorates property taxes levied on motor vehicles. The total assessed value of locally assessed personal property for fiscal year 2001 was approximately \$10.8 billion, which compares to approximately \$9.9 billion for fiscal year 2000. The personal property tax rate for fiscal year 2001 is \$4.57 per \$100 of assessed value for most vehicles and business personal property. For a historical perspective of the changes in tax rates, see Table 5 of the Statistical Section. Personal property tax revenue declined by \$18.4 million from \$335.9 million in fiscal year 2000 to \$317.5 million this year. The decline is the result of legislation enacted by the 1998 Virginia General Assembly to provide tax relief to citizens, scheduled to be phased in over 5 years, on the first \$20,000 of the value of motor vehicles not used for business purposes. For the 1998 tax, payable during fiscal year 1999, the Commonwealth rebated the 12.5 percent tax reduction directly to the taxpayers. For subsequent years, the scheduled tax reductions - 27.5 percent of the 1999 tax, 47.5 percent of the 2000 tax, 70 percent of the 2001 tax and 100 percent of the 2002 tax (each of which is payable during the subsequent fiscal year) - are reflected in the County's invoices to taxpayers. Following receipt by the County of the reduced tax

amounts, the Commonwealth reimburses the County for the tax reductions plus certain administrative costs. For fiscal year 2001, payments from the Commonwealth totaling \$119.8 million are reported as intergovernmental revenue in the financial statements; however, for the purpose of preparing the following chart, we have included the payments received from the Commonwealth with payments received from the taxpayers.



Source: Fairfax County Department of Management and Budget

The resulting collection rate for all categories of personal property is estimated to be 97.1 percent and is shown in the table below along with historical collection rates:

Personal Property Tax Collection Rates	
Fiscal Year	Collection Rate (%)
1992	94.4
1993	96.0
1994	95.6
1995	96.7
1996	97.2
1997	97.2
1998	97.3
1999	97.3
2000	97.3
2001	97.1

Source: Fairfax County Department of Tax Administration

Intergovernmental Revenues: In fiscal year 2001, intergovernmental revenues increased by \$72.5 million or 29.1 percent. Of this increase, \$57.5 million represent payments received from the Commonwealth relative to the motor vehicle tax relief program (See Personal Property Tax section), \$8.1 million represent funding received from the Northern Virginia Transportation Commission for the purchase of replacement buses and other transportation related expenditures, and \$2.8 million represent a grant received from the Commonwealth for the construction of a fiber optic cable network.

EXPENDITURES:

Governmental fund expenditures, excluding capital leases and installment purchases, (as shown in Exhibit A-1 of the General Purpose Financial Statements) totaled \$1.4 billion in fiscal year 2001, an increase of \$104.4 million, or 8.3 percent from fiscal year 2000.

Expenditures				
Governmental Funds - Fiscal Year 2001				
	Amount (000)	Percent of Total	Increase (Decrease) over FY 2000	
			Amount (000)	Percent
General government operations:				
General government administration	\$ 84,252	6.2 %	\$ (3,148)	(3.6)%
Judicial administration	24,163	1.8	2,754	12.9
Public safety	289,041	21.2	32,875	12.8
Public works	138,490	10.1	13,012	10.4
Health and welfare	314,453	23.0	14,125	4.7
Community development	105,638	7.7	14,126	15.4
Parks, recreation and cultural	54,098	4.0	4,656	9.4
Nondepartmental	120,578	8.8	14,543	13.7
Capital outlay	42,354	3.1	3,228	8.3
Debt service	193,211	14.1	8,240	4.5
Total (1)	\$ 1,366,278	100.00%	\$ 104,411	8.3 %

Source: Fairfax County Department of Finance

Note: Amounts shown represent the Primary Government.

(1) Total governmental fund expenditures shown above exclude capital leases and installment purchases of \$5,755,116 which are offset by other financing sources. Donated food is included in the public safety expenditures. See Exhibit A-1.

The decrease in general government administration expenditures results from the reclassification of \$6.5 million of information technology expenditures related to the Public Safety Communications Center and reported in the E-911 Fund to the public safety function. Approximately \$17 million of the remaining increase in public safety expenditures is due to increased personnel costs, which include additional Police Department and Fire and Rescue Department personnel. The increase in public works expenditures is due primarily to a \$2.5 million increase in solid waste disposal costs and to the expenditure of \$5.6 million for the construction of a new ash disposal unit. The increase in community development expenditures results primarily from an increase of \$9.9 million in transportation expenditures for new buses and bus refurbishments coupled with the acquisition of a bus garage. The increase in nondepartmental expenditures is due primarily to an \$8.6 million increase in County contributions to the employee retirement systems plus \$3.8 million in increased health insurance costs for employees.

Proprietary Operations

The County of Fairfax, excluding component units, has one enterprise fund, the Integrated Sewer System (ISS) Fund. The ISS is responsible for the construction, maintenance, and operation of the County-wide sewer system. It recovers the cost of providing this service primarily through user charges, availability fees, and revenue from the use of money. The *Code of Virginia* authorizes Fairfax County to regulate sewer use and to fix rates or charges. The power to establish and determine the fees is vested in the Fairfax County Board of Supervisors. The ISS's total operating revenues and expenses for fiscal year 2001 were \$106.2 million and \$98.9 million, respectively.

Several internal service funds are used to account for the financing of goods or services provided by one County department to another County department on a cost reimbursement basis. Included in this group of funds in the primary government are Central Stores, Vehicle Services, Document Services, Technology Infrastructure Services, Self-Insurance, Health Benefits Trust and Retiree Health Benefits Trust. The total operating revenues and expenses of the internal service funds in fiscal year 2001 were \$111.4 million and \$112.6 million, respectively.

Employee Retirement Systems

The County administers four separate public employee retirement systems that provide pension benefits for various classes of County employees, as described below:

Fairfax County Employees' Retirement System - covers County and Public Schools employees who are not members of the Virginia Retirement System or other County-funded retirement plans.

Fairfax County Police Officers Retirement System - covers uniformed members of the Fairfax County Police Department.

Fairfax County Uniformed Retirement System - covers uniformed employees of the Fire and Rescue Department and the Office of Sheriff, park police, helicopter pilots, and game wardens who are not covered by other County-funded retirement plans or by the Virginia Retirement System.

Educational Employees' Supplementary Retirement System of Fairfax County - covers full-time educational and civil service employees of the Fairfax County Public School System.

The operations of the four County employee retirement systems remained stable in fiscal year 2001. As of July 1, 2000, the combined actuarial value of assets compared to the combined actuarial accrued liability resulted in a funded percentage of 103.14. At July 1, 1999, this percentage was 103.13. Employee and employer rates of contribution and other pertinent data related to the County's retirement systems are described more fully in Note F to the financial statements.

Debt Administration

Fairfax County borrows money by issuing tax-exempt general obligation bonds to finance major capital projects. Bond financing spreads the cost of land acquisition and building construction over a period of many years, rather than charging the full cost to current taxpayers. By law, general obligation bonds must be approved in advance by County voters in a referendum. The County continues to maintain its status as a top rated issuer of tax-exempt securities. The County has the highest credit ratings possible for a local government for its general obligation bonds: Aaa from Moody's Investors Service, Inc., AAA from Standard and Poor's Corporation, and AAA from Fitch Investor Service. The County has had an Aaa rating since October 1975 when it first received a rating from Moody's. Standard and Poor's Corporation first gave Fairfax County an AAA rating in October 1978, and Fairfax County has maintained that rating. The Fitch Investor Service rating was first received in the spring of 1997, and has been maintained since then.

Factors contributing to Fairfax County's high credit rating include recognized excellence in financial management, excellent tax collections, low debt ratios, and high income levels. As of fiscal year 2001, only 9 of 50 states, 18 of 3,107 counties, and 10 of the 22,529 cities in the U.S. have such high bond ratings from all three rating agencies. The high credit ratings enable Fairfax County to sell bonds at interest rates significantly lower than those of most municipalities, representing substantial savings for County taxpayers throughout the life of the bonds.

During fiscal year 2001, the County took advantage of the decline in interest rates and issued \$139.5 million of 2001A General Obligation Refunding Bonds. The proceeds of these Bonds were used to advance refund certain outstanding Series 1992C and 1993A Bonds, resulting in total savings to the County of \$7.4 million in future debt service payments. The following table presents a historical perspective on the County's general obligation bond sales over the last ten fiscal years:

Series	Purpose	Date of Issue	Amount Sold \$ (000)	Average Life in Years	True Interest Cost
1992A	Public Improvement	04/01/92	150,000	8	6.1360%
1992B	Refunding	06/15/92	115,960	9	5.6523
1992C	Refunding	12/15/92	137,025	10	5.4882
1993A	Refunding	04/01/93	203,040	11	5.1409
1993B	Public Improvement	05/15/93	103,000	11	5.2256
1993C	Refunding	07/15/93	253,045	11	5.1489
1994A	Public Improvement	05/15/94	158,100	11	5.5579
1995A	Public Improvement	05/15/95	99,960	11	5.2716
1996A	Public Improvement	05/15/96	114,150	11	5.3056
1997A	Public Improvement	05/15/97	144,000	11	5.2001
1997B	Public Improvement	12/11/97	60,000	11	4.7994
1998A	Public Improvement	05/15/98	76,000	11	4.7402
1999A	Refunding	04/01/99	139,215	10	4.5117
1999A	Public Improvement	04/01/99	154,200	10	4.5117
1999B	Public Improvement	12/01/99	83,600	10	5.3530
2000A	Public Improvement	04/01/00	88,000	11	5.2076
2000B	Public Improvement	12/01/00	52,250	10	4.8737
2001A	Refunding	06/01/01	139,465	8	4.2710
2001A	Public Improvement	06/01/01	122,400	8	4.2710

There is no legal limit on the amount of general obligation bonded indebtedness which Fairfax can at any time incur or have outstanding. Since 1975, the Board of Supervisors has established as a financial guideline, a self-imposed limit on the average annual amount of bond sales. In 1988, the Board of Supervisors increased the bond sale target to \$750 million over a 5-year period or an average of \$150 million annually, with the flexibility to expand to a maximum of \$175 million based on market conditions and/or priority needs in any given year. The Board of Supervisors also has self-imposed limitations which provide that the County's long-term debt should not exceed 3 percent of the total market value of taxable real and personal property in the County. The limits also provide that annual debt service should not exceed 10 percent of annual Combined General Fund disbursements. These limits may be changed by the Board of Supervisors, and they are not binding on future Boards of Supervisors of the County. At the close of fiscal year 2001, these levels were 1.43 percent and 8.6 percent, respectively. At June 30, 2001, total general obligation bond indebtedness was \$1,442 million, which equates to a net debt per capita of \$1,467. Authorized-but-not-issued bonds at June 30, 2001, totaled approximately \$551 million.

In June 2000, Fitch Investor Service upgraded the 1996 Fairfax County Integrated Sewer Revenue Bonds from AA to AAA because of the economic health of the system's service areas and the stability of its operations. Fitch upgraded the County, as well as other municipal bonds, based on their new rating scale and guidelines developed as a result of a 1999 study of municipal default risk. Fairfax County was one of three local governments to have its water and/or sewer revenue bonds upgraded to AAA.

The details of bonds outstanding and bonds authorized-but-not-issued are shown in Note H to the financial statements. Tables 9 and 10 of the Statistical Section provide detailed historical information

regarding the debt position and debt service requirements of the County.

Cash Management

The County maintains a self-managed investment program under the direction and oversight of an Investment Committee. The committee comprises the Director of the Department of Finance (Committee Chairman), the Chief Financial Officer, the Director of the Department of Tax Administration, and certain employees within the Department of Finance. Guided by a formal investment policy, the committee monitors daily investment activity and evaluates investment strategies biweekly. The County's investment policies are thoroughly reviewed on a quarterly basis.

All cash, including all available bank balances, is pooled and invested. For fiscal year 2001, the average balance of the investment portfolio was approximately \$1.5 billion, with an average yield of 6.03 percent. Additionally, the County maintains a separate investment portfolio for the proceeds of the Resource Recovery Bonds, the Fairfax County Economic Development Authority Parking Revenue Bonds (the Vienna and Huntington Metrorail Projects), the Sewer Revenue Bonds, and the Housing Section 108 loans of the Fairfax County Redevelopment and Housing Authority. Investments purchased by the County for its investment portfolios are held in the County's name by third-party trust custodians.

Risk Financing and Management

Since the inception of the risk management program in 1986, when a professional risk manager was hired, the County has established written policies and procedures relative to insurance and self-insurance, claims management and rehabilitation services, and employee safety and health programs. Risk management initiatives focus on cost-effective property and casualty insurance, programs to assess the risk of County contracts, medical management of long-term disability claims and vocational rehabilitation of the disabled employees, implementation of job safety policies to ensure compliance with the Occupational Safety and Health Act regulations, and aggressive pursuit of recoveries for damages caused to County property by third parties. The County self-insures workers compensation and liability risks with a retention of \$750 thousand, supplemented by commercial policies with limits of \$10 million. As of October 1, 2001, the County's self-insured retention increased from \$750 thousand to \$1 million for all risks except workers compensation, which remained at \$750 thousand. The County's risk management program has been recognized by the National Association of Counties and the Virginia Government Finance Officers' Association for its innovative and effective approach.

OTHER INFORMATION

Independent Audit

The County's financial statements have been audited as required by the *Code of Virginia* and have earned an unqualified opinion by the accounting firm of KPMG LLP. In addition to meeting the requirements of the state statutes, the audit was designed to meet the requirements of the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996, the U.S. Office of Management and Budget Circular No. A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the Uniform Financial Reporting requirements for Virginia counties and municipalities as established by the Auditor of Public Accounts of the Commonwealth of Virginia. The report of the independent auditors on the financial statements can be found in the financial section of this annual report. The Single Audit Report, issued separately, contains the independent auditors' reports related specifically to the single audit.

Awards

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2000. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The County has received a Certificate of Achievement for every year since 1977.

Distinguished Budget Presentation Award

The GFOA has presented the Award for Distinguished Budget Presentation to Fairfax County for its annual budget for each year since fiscal year 1987. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications device.

Investment Policy Award

Since fiscal year 1999, the Municipal Treasurers' Association of the United States and Canada has awarded the County's investment policy a certification for meeting standards set forth by the Association.

Annual National Association of Counties (NACo) Awards

The NACo awards are national recognition of significant innovative programs and activities that improve the organization, management or service of county governments. The County received the following seven NACo 2001 Achievement Awards for innovative programs:

Homeownership Opportunities Program at Founders Ridge - Through an innovative public/private venture, the County's Redevelopment and Housing Authority and the Northern Virginia Building Industry Association combined efforts to develop affordable housing in Fairfax County. The venture provided purchasing possibilities to families with incomes at or below 50 percent of the median income to live in the prestigious Kingstowne community.

Health Information Partnership - The Health Information Partnership is a collaborative project between the Public Library and INOVA Health Systems Inc. to provide unbiased resources for medical information. Libraries and INOVA developed a program that includes trained Library staff answering health-related questions, an information triage system that answers complex medical questions using INOVA resources, hospital-sponsored programs in Library branches, and an online health database directly available to the public.

Municipal Road Maintenance - A joint agreement between the Department of Information Technology and the Virginia Department of Transportation led to a successful program to maintain common road information in the County's Geographic Information System.

Girl Power - Over the past three years, the Prevention Unit of the Fairfax-Falls Church Community Services Board has developed a strength-based substance abuse program for girls ages nine through fourteen that focuses on building self-confidence and life skills. Locally based on a Girl Power public service campaign started four years ago by the U.S. Department of Health and Human Services, the program uses education and skill-building to help girls make health choices and develop positive leisure activities.

Fibromyalgia Water Exercise Class - The Park Authority's new fibromyalgia water exercise class is a creative and cooperative response to chronic pain sufferers. The only such program in the Commonwealth of Virginia, it provides twice weekly classes for pain abatement, increased mobility and group support. Taught by an instructor that has fibromyalgia, the program illustrates the Park Authority's strong commitment to making healthful exercise accessible to all County citizens, regardless of physical limitations.

Department of Vehicle Services' Public Schools Internship Program - Implemented in 1999, the Department of Vehicle Services' Public Schools Internship Program provides selected high school seniors an opportunity to gain technical knowledge and practice hands-on automotive skills. Working under the direct supervision of DVS technicians, interns participate in mandatory training based on criteria set by the DVS and the school system.

A Community Sampler: Eight Immigrant and Refugee Communities with Public School Children - Approximately one-third of the County residents speak a language other than English at home. In 2000, the Department of Systems Management for Human Services, in cooperation with community-based organizations, undertook a study to determine barriers and opportunities for immigrant adjustment in the County. Information gained from the survey is being used by the County and non-profit organizations to help immigrants and refugees adjust to the community.

Acknowledgments

We express our sincere appreciation to all staff who contributed to this report, especially the members of the CAFR Project Team in the Accounting and Reporting Division of the Department of Finance, who prepared and compiled this report. We commend them for their professionalism, hard work and continued effort to improve this report. In addition, we acknowledge the cooperation and assistance of each County agency throughout the year in the efficient administration of the County's financial operations.

This CAFR reflects our commitment to the citizens of Fairfax County, the Board of Supervisors, and all interested readers of this report to provide information in conformance with the highest standards of financial accountability.

Respectfully,

Anthony H. Griffin
County Executive

Robert L. Mears
Director of Finance

COUNTY OF FAIRFAX FAIRFAX, VIRGINIA

Urban County Executive Form of Government
as of June 30, 2001

BOARD OF SUPERVISORS

Katherine K. Hanley, Chairman
Gerald W. Hyland, Vice Chairman
Sharon Bulova
Gerald E. Connolly, Jr.
Cathy M. Hudgins
Michael R. Frey
Penelope A. Gross
Dana Kauffman
Elaine N. McConnell
Stuart Mendelsohn

At large
Mount Vernon District
Braddock District
Providence District
Hunter Mill District
Sully District
Mason District
Lee District
Springfield District
Dranesville District

Clerk to the Board

Nancy Vehrs

County Executive

Anthony H. Griffin

Deputy County Executives

Verdia L. Haywood
Robert A. Stalzer

Chief Financial Officer

Edward L. Long, Jr.

Chief Information Officer

David J. Molchany

Department of Management and Budget

Susan Datta, Assistant Director
Leonard P. Wales, Assistant Director

Department of Finance

Robert L. Mears, Director

Department of Tax Administration

Kevin C. Greenlief, Director

Department of Purchasing and Supply Management

Armand E. Malo, Director

Office of the County Attorney

David P. Bobzien, County Attorney

Office of Public Affairs

Merni Fitzgerald, Director

Internal Audit Office

Ronald Coen, Director

Independent Auditors

KPMG LLP



This report was prepared by:

COUNTY OF FAIRFAX, VIRGINIA
DEPARTMENT OF FINANCE
12000 Government Center Parkway, Suite 214
Fairfax, Virginia 22035
www.co.fairfax.va.us/gov/finance

DIRECTOR

Robert L. Mears

DEPUTY DIRECTORS

Victor L. Garcia, CPA
John D. Higgins

ACCOUNTING & REPORTING DIVISION

Milagros A. Jao, Chief

CAFR PROJECT TEAM

Val B. Kehl, CPA, **Leader**

Fadya Ameen

Jeff Beeman, CPA

Ricky Brown, CPA

Anh Bui

Joel C. Comer

Indu Dhingra

Franklin Fout, CPA

Leonard J. Freitick, CPA

Gloria Ho, CPA

Mohan Jassal

William Jennings

Graciela Nieto

Cynthia Phoenix

Sam Soeur

Edith Sunga

Jovita S. Tabasondra, CPA

Terry Ty

Stanley A. Underwood, CPA

Financial Section

The Financial Section includes the independent auditors' report, general purpose financial statements, notes to the financial statements, and the combining, individual fund, and account group statements and schedules of the County of Fairfax and its component units, which together comprise the reporting entity.

Independent Auditors' Report

The Board of Supervisors
County of Fairfax, Virginia:

We have audited the general purpose financial statements and the combining, individual fund, account group and component unit financial statements and schedules of the County of Fairfax, Virginia (County) as of and for the year ended June 30, 2001, identified as Exhibits A through N-1 in the accompanying table of contents. These financial statements and schedules are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements and schedules based on our audit. We did not audit the financial statements of the discretely presented component units of the Fairfax County Redevelopment and Housing Authority (FCRHA), a discretely presented component unit of the County. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion on these financial statements, insofar as it relates to the amounts included for the discretely presented component units of FCRHA, which statements reflect total assets of \$48,030,862 as of June 30, 2001 and total operating revenues of \$5,065,325 for the year then ended in the component units columns, is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia (specifications). Those standards and specifications require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and schedules are free of material misstatement. All financial statements of the discretely presented component units of the FCRHA were audited in accordance with auditing standards generally accepted in the United States of America and certain financial statements of these discretely presented component units were audited in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements and schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement and schedule presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County at June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and component units and the changes in net assets of its pension trust funds for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, based on our audit and the reports of the other auditors, the combining, individual fund, account group and component unit financial statements and schedules referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the County at June 30, 2001, and the results of operations of such funds and the cash flows of individual proprietary funds and component units for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in note Q to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, effective July 1, 2000.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements and on the combining, individual fund, account group and component unit financial statements and schedules taken as a whole. The information in the accompanying schedules identified in Exhibits O through Q and Table 8 in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the financial statements and schedules of the County. The information in Exhibits O through Q and Table 8 has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and the combining, individual fund, account group and component unit financial statements and schedules, and, in our opinion, is fairly stated in all material respects in relation to such financial statements and schedules taken as a whole.

The unaudited information in note F to the financial statements is not a required part of the financial statements of the County but is supplementary information required by the Governmental Accounting Standards Board. We have applied to the unaudited information in note F certain limited procedures prescribed by professional standards, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the information. However, we did not audit and do not express an opinion on such information.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2001 on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

We did not audit the information included in the introductory section and in Tables 1 through 7 and 9 through 16 in the statistical section, and accordingly, express no opinion thereon.

KPMG LLP

October 29, 2001

General Purpose Financial Statements

The General Purpose Financial Statements include all fund types and account groups of the County of Fairfax and its component units in order to provide an overview of the financial position and results of operations for the reporting entity as a whole.

COUNTY OF FAIRFAX, VIRGINIA

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units

June 30, 2001

	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Assets and other debits					
Assets:					
Equity in pooled cash and temporary investments	\$ 169,725,073	188,643,393	4,880,223	138,694,723	84,946,893
Cash in banks	-	-	-	-	-
Cash with fiscal agents	565,362	-	334,425	-	-
Cash collateral for securities lending	-	-	-	-	-
Investments	-	-	-	-	16,679,475
Receivables (net of allowances):					
Accrued interest	219,955	312,571	-	16,578	110,718
Property taxes:					
Delinquent	18,664,827	-	-	-	-
Not yet due	1,473,895,000	6,976,000	-	-	-
Business license taxes - delinquent	3,530,418	-	-	-	-
Accounts	10,539,535	10,165,944	-	1,107,239	-
Receivable from sale of pension investments	-	-	-	-	-
Due from intergovernmental units:					
Property taxes:					
Delinquent	3,815,703	-	-	-	-
Not yet due	164,001,100	-	-	-	-
Other	37,493,908	11,344,452	-	310,577	19,187,626
Notes	-	5,122,582	-	-	-
Mortgages	-	-	-	-	-
Due from Primary Government	-	-	-	-	-
Due from Component Units	-	1,591,703	-	-	-
Interfund receivables	4,469,727	-	-	-	-
Inventories of supplies	1,170,756	-	-	-	564,427
Prepaid items and other assets	63,517	18,957	-	-	-
Restricted assets:					
Equity in pooled cash and temporary investments	-	-	-	-	162,874,811
Cash with fiscal agents	-	-	-	-	-
Certificates of deposit - performance bonds	646,055	-	-	-	-
Investments	-	-	-	-	23,780,737
Land held for sale	-	-	-	-	-
Fixed assets:					
Land	-	-	-	-	17,383,765
Buildings and improvements	-	-	-	-	728,560,489
Equipment	-	-	-	-	7,986,091
Construction in progress	-	-	-	-	100,995,040
Accumulated depreciation	-	-	-	-	(281,324,296)
Purchased capacity (net of amortization)	-	-	-	-	183,709,193
Miscellaneous noncurrent assets (net of amortization)	-	-	-	-	1,203,042
Other debits:					
Amount available in special revenue fund	-	-	-	-	-
Amount available in debt service funds	-	-	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-	-	-
Amount to be provided from special assessments	-	-	-	-	-
Total assets and other debits	\$ 1,888,800,936	224,175,602	5,214,648	140,129,117	1,066,658,011

Internal Service	Fiduciary Fund Types Trust and Agency	Account Groups		Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
		General Fixed Assets	General Long-Term Obligations			
71,309,693	17,635,477	-	-	675,835,475	258,663,344	934,498,819
-	-	-	-	-	6,203,240	6,203,240
-	-	-	-	899,787	13,757,812	14,657,599
-	216,773,609	-	-	216,773,609	87,926,835	304,700,444
-	3,266,507,614	-	-	3,283,187,089	1,614,342,247	4,897,529,336
20,270	11,855,305	-	-	12,535,397	7,221,679	19,757,076
-	-	-	-	18,664,827	-	18,664,827
-	-	-	-	1,480,871,000	-	1,480,871,000
-	-	-	-	3,530,418	-	3,530,418
13,303	23,728	-	-	21,849,749	4,410,782	26,260,531
-	85,178,498	-	-	85,178,498	28,124,523	113,303,021
-	-	-	-	3,815,703	-	3,815,703
-	-	-	-	164,001,100	-	164,001,100
-	31,546	-	-	68,368,109	27,392,384	95,760,493
-	-	-	-	5,122,582	7,467,662	12,590,244
-	-	-	-	-	85,675	85,675
-	-	-	-	-	9,609,989	9,609,989
-	-	-	-	1,591,703	-	1,591,703
220,801	-	-	-	4,690,528	3,237,761	7,928,289
2,516,657	-	-	-	4,251,840	5,220,950	9,472,790
188,137	-	-	-	270,611	1,924,003	2,194,614
-	-	-	-	162,874,811	-	162,874,811
-	-	-	-	-	9,506,690	9,506,690
-	-	-	-	646,055	-	646,055
-	-	-	-	23,780,737	2,299,803	26,080,540
-	-	-	-	-	4,599,973	4,599,973
1,776,483	-	159,502,398	-	178,662,646	230,616,471	409,279,117
15,602,150	-	696,638,500	-	1,440,801,139	1,662,651,865	3,103,453,004
44,093,060	1,857,640	142,029,935	-	195,966,726	135,720,257	331,686,983
-	-	129,223,841	-	230,218,881	238,323,293	468,542,174
(34,667,969)	-	-	-	(315,992,265)	(57,296,812)	(373,289,077)
-	-	-	-	183,709,193	-	183,709,193
-	-	-	-	1,203,042	-	1,203,042
-	-	-	-	-	1,549,402	1,549,402
-	-	-	4,078,555	4,078,555	-	4,078,555
-	-	-	1,690,085,794	1,690,085,794	72,605,941	1,762,691,735
-	-	-	600,000	600,000	-	600,000
101,072,585	3,599,863,417	1,127,394,674	1,694,764,349	9,848,073,339	4,376,165,769	14,224,239,108

continued

COUNTY OF FAIRFAX, VIRGINIA

Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units

June 30, 2001

	Governmental Fund Types				Proprietary Fund Types
	General	Special Revenue	Debt Service	Capital Projects	Enterprise
Liabilities, fund equity and other credits					
Liabilities:					
Accounts payable and accrued liabilities	\$ 37,002,016	12,125,215	2,481	4,502,638	6,880,102
Payable for purchase of pension investments	-	-	-	-	-
Compensated absences payable - long-term	-	-	-	-	-
Obligations for claims and judgments	-	-	-	-	-
Contracts payable	-	-	-	1,878,525	7,395,198
Contract retainages	-	129,301	-	1,588,472	-
Liabilities for collateral received under securities lending agreements	-	-	-	-	-
Liabilities under reimbursement agreements	-	-	-	-	-
Due to Primary Government	-	-	-	-	-
Due to Component Units	1,371,211	42,687	-	89,271	-
Interfund payables	-	3,904,063	-	-	126,192
Matured bonds payable	-	-	192,711	-	-
Matured interest payable	-	-	54,408	-	-
Deferred revenue:					
Property taxes not yet due	1,637,896,100	6,976,000	-	-	-
Other	46,107,654	4,263,773	886,493	23,117,123	-
Performance and other deposits	60,787,803	1,623,922	-	4,759,798	-
Notes payable	-	-	-	-	-
Public Housing loans payable	-	-	-	-	-
Housing bonds payable	-	-	-	-	-
General obligation bonds payable	-	-	-	-	-
Special assessment debt with governmental commitment	-	-	-	-	-
Revenue bonds payable, net of unamortized discount	-	-	-	-	204,820,272
Obligations under capital leases and installment purchases	-	-	-	-	-
Sanitary landfill closure obligation	-	-	-	-	-
Total liabilities	1,783,164,784	29,064,961	1,136,093	35,935,827	219,221,764
Fund equity and other credits:					
Investments in general fixed assets	-	-	-	-	-
Contributed capital	-	-	-	-	174,009,136
Retained earnings:					
Reserved for sewer improvements, bond debt service and nitrification facilities	-	-	-	-	186,655,548
Unreserved	-	-	-	-	486,771,563
Fund balances:					
Reserved for:					
Encumbrances	-	-	-	66,468,417	-
Inventories of supplies	1,170,756	-	-	-	-
Long-term receivables	-	5,122,582	-	-	-
Prepaid items	63,517	18,957	-	-	-
Debt service	-	-	4,078,555	-	-
Employees' pension benefits	-	-	-	-	-
Repair and replacement of park facilities	-	-	-	-	-
Unreserved	104,401,879	189,969,102	-	37,724,873	-
Total fund equity and other credits	105,636,152	195,110,641	4,078,555	104,193,290	847,436,247
Total liabilities, fund equity and other credits	\$ 1,888,800,936	224,175,602	5,214,648	140,129,117	1,066,658,011

See accompanying notes to financial statements.

						Exhibit A continued
	Fiduciary Fund Types	Account Groups		Total Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations			
5,715,229	6,700,207	-	-	72,927,888	101,361,680	174,289,568
-	270,140,350	-	-	270,140,350	161,545,358	431,685,708
-	-	-	57,441,561	57,441,561	25,069,549	82,511,110
22,996,702	-	-	1,419,000	24,415,702	28,999,999	53,415,701
-	-	-	-	9,273,723	-	9,273,723
-	-	-	-	1,717,773	7,590,933	9,308,706
-	216,773,609	-	-	216,773,609	87,926,835	304,700,444
-	43,227,885	-	-	43,227,885	12,004,652	55,232,537
-	-	-	-	-	1,591,703	1,591,703
-	-	-	8,106,820	9,609,989	-	9,609,989
612,931	47,342	-	-	4,690,528	3,237,761	7,928,289
-	-	-	-	192,711	-	192,711
-	-	-	-	54,408	-	54,408
-	-	-	-	1,644,872,100	-	1,644,872,100
-	-	-	-	74,375,043	19,125,011	93,500,054
-	-	-	-	67,171,523	1,120,414	68,291,937
-	-	-	-	-	75,038,415	75,038,415
-	-	-	-	-	1,922,314	1,922,314
-	-	-	-	-	12,745,000	12,745,000
-	-	-	1,441,687,525	1,441,687,525	-	1,441,687,525
-	-	-	600,000	600,000	-	600,000
-	-	-	110,485,000	315,305,272	12,720,000	328,025,272
-	1,425,693	-	22,913,563	24,339,256	22,656,431	46,995,687
-	-	-	52,110,880	52,110,880	-	52,110,880
29,324,862	538,315,086	-	1,694,764,349	4,330,927,726	574,656,055	4,905,583,781
-	-	1,127,394,674	-	1,127,394,674	2,087,199,265	3,214,593,939
20,396,696	-	-	-	194,405,832	29,153,028	223,558,860
-	-	-	-	186,655,548	-	186,655,548
51,351,027	-	-	-	538,122,590	70,727,583	608,850,173
-	-	-	-	66,468,417	120,801,746	187,270,163
-	-	-	-	1,170,756	1,503,115	2,673,871
-	-	-	-	5,122,582	-	5,122,582
-	-	-	-	82,474	-	82,474
-	-	-	-	4,078,555	1,549,402	5,627,957
-	3,061,548,331	-	-	3,061,548,331	1,488,764,682	4,550,313,013
-	-	-	-	-	1,700,000	1,700,000
-	-	-	-	332,095,854	110,893	332,206,747
71,747,723	3,061,548,331	1,127,394,674	-	5,517,145,613	3,801,509,714	9,318,655,327
101,072,585	3,599,863,417	1,127,394,674	1,694,764,349	9,848,073,339	4,376,165,769	14,224,239,108

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -**All Governmental Fund Types and Discretely Presented Component Units**

For the fiscal year ended June 30, 2001

	General	Special Revenue	Debt Service	Capital Projects
Revenues:				
Taxes	\$ 1,763,848,433	21,582,946	-	-
Permits, privilege fees and regulatory licenses	31,908,008	7,627,459	-	-
Intergovernmental	239,374,673	71,226,489	36,402	11,359,722
Charges for services	32,751,934	90,286,755	-	-
Fines and forfeitures	9,116,533	-	-	-
Developers' contributions	-	301,850	-	4,974,529
Revenue from the use of money and property	57,367,068	11,346,052	-	1,876,470
Recovered costs	5,031,172	2,651,030	-	2,430,361
Local matching grants	-	6,439,480	-	-
Gifts, donations and contributions	-	261,205	-	-
Donated food	9,416	-	-	-
Other	403,383	3,387,685	-	201,508
Total revenues	2,139,810,620	215,110,951	36,402	20,842,590
Expenditures:				
Current:				
General government administration	71,522,747	12,728,545	-	-
Judicial administration	23,516,323	646,482	-	-
Public safety	257,918,169	31,113,832	-	-
Public works	47,020,149	91,470,128	-	-
Health and welfare	194,665,104	119,787,654	-	-
Community development	26,339,577	58,044,962	-	21,253,772
Parks, recreation and cultural	41,459,430	10,389,046	-	2,250,000
Education	-	-	-	-
Donated food	9,416	-	-	-
Nondepartmental	120,577,637	-	-	-
Capital outlay	-	-	-	42,353,536
Capital leases and installment purchases	4,078,378	-	-	-
Debt service:				
Principal retirement	-	-	115,948,925	-
Interest and other	-	-	77,262,417	-
Total expenditures	787,106,930	324,180,649	193,211,342	65,857,308
Excess (deficiency) of revenues over (under) expenditures	1,352,703,690	(109,069,698)	(193,174,940)	(45,014,718)
Other financing sources (uses):				
Operating transfers in	1,683,800	134,198,166	190,039,174	35,449,007
Operating transfers in from Primary Government:				
Proceeds from sale of bonds	-	-	-	-
Other	-	-	-	-
Operating transfers in from Component Units	-	-	833,926	-
Operating transfers out	(349,423,733)	(14,756,710)	-	(1,985,704)
Operating transfers out to Primary Government	-	-	-	-
Operating transfers out to Component Units:				
Proceeds from sale of bonds	-	-	-	(135,623,305)
Other	(1,015,892,102)	(1,871,559)	-	(2,752,526)
Proceeds from sale of County general obligation bonds	-	-	-	174,673,305
Capital leases and installment purchases	4,078,378	-	-	-
Proceeds from issuance of revenue note	-	-	-	-
Proceeds from sale of refunding bonds	-	-	144,209,867	-
Payments to refunded bond escrow agent	-	-	(143,650,436)	-
Total other financing sources (uses)	(1,359,553,657)	117,569,897	191,432,531	69,760,777
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(6,849,967)	8,500,199	(1,742,409)	24,746,059
Fund balances, July 1, 2000, as restated	112,476,573	186,610,442	5,820,964	79,447,231
Increase in reserve for inventories of supplies	9,546	-	-	-
Fund balances, June 30, 2001	\$ 105,636,152	195,110,641	4,078,555	104,193,290

See accompanying notes to financial statements.

Exhibit A-1		
Totals Primary Government (memorandum only)	Component Units	Totals Reporting Entity (memorandum only)
1,785,431,379	-	1,785,431,379
39,535,467	-	39,535,467
321,997,286	384,202,860	706,200,146
123,038,689	67,405,461	190,444,150
9,116,533	-	9,116,533
5,276,379	-	5,276,379
70,589,590	5,450,916	76,040,506
10,112,563	24,224,716	34,337,279
6,439,480	-	6,439,480
261,205	777,580	1,038,785
9,416	294,805	304,221
3,992,576	14,800,973	18,793,549
2,375,800,563	497,157,311	2,872,957,874
84,251,292	-	84,251,292
24,162,805	-	24,162,805
289,032,001	-	289,032,001
138,490,277	-	138,490,277
314,452,758	-	314,452,758
105,638,311	6,713,354	112,351,665
54,098,476	42,608,988	96,707,464
-	1,448,608,572	1,448,608,572
9,416	294,805	304,221
120,577,637	-	120,577,637
42,353,536	138,085,736	180,439,272
4,078,378	13,370,833	17,449,211
115,948,925	310,000	116,258,925
77,262,417	845,978	78,108,395
1,370,356,229	1,650,838,266	3,021,194,495
1,005,444,334	(1,153,680,955)	(148,236,621)
361,370,147	22,726,503	384,096,650
-	135,623,305	135,623,305
-	1,021,059,136	1,021,059,136
833,926	-	833,926
(366,166,147)	(22,980,624)	(389,146,771)
-	(833,926)	(833,926)
(135,623,305)	-	(135,623,305)
(1,020,516,187)	-	(1,020,516,187)
174,673,305	-	174,673,305
4,078,378	13,370,833	17,449,211
-	2,131,000	2,131,000
144,209,867	-	144,209,867
(143,650,436)	-	(143,650,436)
(980,790,452)	1,171,096,227	190,305,775
24,653,882	17,415,272	42,069,154
384,355,210	107,869,054	492,224,264
9,546	380,830	390,376
409,018,638	125,665,156	534,683,794

COUNTY OF FAIRFAX, VIRGINIA

**Combined Statement of Revenues and Expenditures - Budget and Actual (Budget Basis) -
General, Special Revenue and Debt Service Funds (Primary Government Only)**

For the fiscal year ended June 30, 2001

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance	Budget	Actual	Variance
Revenues:						
Taxes	\$ 1,755,939,814	1,763,848,433	7,908,619	21,266,661	21,582,946	316,285
Permits, privilege fees and regulatory licenses	33,894,607	31,908,008	(1,986,599)	11,195,103	10,369,570	(825,533)
Intergovernmental	243,030,454	239,374,673	(3,655,781)	111,585,064	68,583,083	(43,001,981)
Charges for services	31,407,338	32,751,934	1,344,596	85,515,829	86,267,780	751,951
Fines and forfeitures	8,736,955	9,116,533	379,578	-	-	-
Developers' contributions	-	-	-	200,000	695,358	495,358
Revenue from the use of money and property	59,404,180	60,380,097	975,917	11,379,748	12,020,181	640,433
Recovered costs	5,309,322	5,031,172	(278,150)	1,336,521	1,486,222	149,701
Local matching grants	-	-	-	10,771,653	6,439,480	(4,332,173)
Gifts, donations and contributions	-	-	-	300,158	261,205	(38,953)
Other	317,771	403,383	85,612	2,887,904	3,421,125	533,221
Total revenues	2,138,040,441	2,142,814,233	4,773,792	256,438,641	211,126,950	(45,311,691)
Expenditures:						
Current:						
General government administration	78,130,738	71,522,747	6,607,991	37,508,243	12,728,545	24,779,698
Judicial administration	24,108,278	23,516,323	591,955	789,824	646,482	143,342
Public safety	262,190,508	257,918,169	4,272,339	48,883,973	31,113,832	17,770,141
Public works	50,505,122	47,020,149	3,484,973	112,937,218	90,530,535	22,406,683
Health and welfare	202,050,575	194,665,104	7,385,471	130,423,648	117,314,169	13,109,479
Community development	35,792,934	33,052,931	2,740,003	101,660,428	56,410,211	45,250,217
Parks, recreation and cultural	61,876,494	61,277,866	598,628	11,261,121	10,389,046	872,075
Nondepartmental	124,691,226	120,577,637	4,113,589	11,966,578	-	11,966,578
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-
Total expenditures	839,345,875	809,550,926	29,794,949	455,431,033	319,132,820	136,298,213
Excess (deficiency) of revenues over (under) expenditures	1,298,694,566	1,333,263,307	34,568,741	(198,992,392)	(108,005,870)	90,986,522
Other financing sources (uses):						
Operating transfers in	1,683,800	1,683,800	-	134,198,166	134,198,166	-
Operating transfers out	(349,423,733)	(349,423,733)	-	(14,756,710)	(14,756,710)	-
Operating transfers in from Component Units	-	-	-	(1,793,500)	(1,793,500)	-
Operating transfers out to Component Units	(989,360,312)	(989,360,312)	-	-	-	-
Proceeds from sale of refunding bonds	-	-	-	-	-	-
Total other financing sources (uses)	(1,337,100,245)	(1,337,100,245)	-	117,647,956	117,647,956	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (38,405,679)	(3,836,938)	34,568,741	(81,344,436)	9,642,086	90,986,522

See accompanying notes to financial statements.

Debt Service Funds			Totals (memorandum only)		
Budget	Actual	Variance	Budget	Actual	Variance
-	-	-	1,777,206,475	1,785,431,379	8,224,904
-	-	-	45,089,710	42,277,578	(2,812,132)
27,000	36,402	9,402	354,642,518	307,994,158	(46,648,360)
-	-	-	116,923,167	119,019,714	2,096,547
-	-	-	8,736,955	9,116,533	379,578
-	-	-	200,000	695,358	495,358
-	-	-	70,783,928	72,400,278	1,616,350
-	-	-	6,645,843	6,517,394	(128,449)
-	-	-	10,771,653	6,439,480	(4,332,173)
-	-	-	300,158	261,205	(38,953)
-	-	-	3,205,675	3,824,508	618,833
27,000	36,402	9,402	2,394,506,082	2,353,977,585	(40,528,497)
-	-	-	115,638,981	84,251,292	31,387,689
-	-	-	24,898,102	24,162,805	735,297
-	-	-	311,074,481	289,032,001	22,042,480
-	-	-	163,442,340	137,550,684	25,891,656
-	-	-	332,474,223	311,979,273	20,494,950
-	-	-	137,453,362	89,463,142	47,990,220
-	-	-	73,137,615	71,666,912	1,470,703
-	-	-	136,657,804	120,577,637	16,080,167
115,948,925	115,948,925	-	115,948,925	115,948,925	-
77,908,565	77,262,417	646,148	77,908,565	77,262,417	646,148
193,857,490	193,211,342	646,148	1,488,634,398	1,321,895,088	166,739,310
(193,830,490)	(193,174,940)	655,550	905,871,684	1,032,082,497	126,210,813
190,039,174	190,039,174	-	325,921,140	325,921,140	-
-	-	-	(364,180,443)	(364,180,443)	-
833,926	833,926	-	(959,574)	(959,574)	-
-	-	-	(989,360,312)	(989,360,312)	-
-	559,431	559,431	-	559,431	559,431
190,873,100	191,432,531	559,431	(1,028,579,189)	(1,028,019,758)	559,431
(2,957,390)	(1,742,409)	1,214,981	(122,707,505)	4,062,739	126,770,244

COUNTY OF FAIRFAX, VIRGINIA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings -

All Proprietary Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2001

	Enterprise	Internal Service	Totals Primary Government (memorandum only)
Operating revenues:			
Dwelling rental	\$ -	-	-
Charges to other funds	-	111,141,784	111,141,784
Sales of services	76,562,614	-	76,562,614
Availability fees	29,238,219	-	29,238,219
Other	357,405	237,658	595,063
Total operating revenues	106,158,238	111,379,442	217,537,680
Operating expenses:			
Cost of goods sold	-	-	-
Personnel services	17,599,191	18,403,047	36,002,238
Materials and supplies	9,895,363	2,877,050	12,772,413
Equipment operation and maintenance	-	29,907,760	29,907,760
Dwelling operation, maintenance and utilities	-	-	-
Risk financing and benefit payments	-	49,464,985	49,464,985
Administration - housing programs	-	-	-
Housing assistance payments	-	-	-
Depreciation and amortization	22,252,284	6,883,515	29,135,799
Professional consultant and contractual services	49,193,886	4,425,211	53,619,097
Other	-	624,611	624,611
Total operating expenses	98,940,724	112,586,179	211,526,903
Operating income (loss)	7,217,514	(1,206,737)	6,010,777
Nonoperating revenues (expenses):			
Intergovernmental revenue	1,755,137	-	1,755,137
Interest revenue	16,692,076	2,151,031	18,843,107
Interest expense	(9,356,258)	(2,152)	(9,358,410)
Investor contributions	-	-	-
Gain on disposal of fixed assets	54,668	41,431	96,099
Total nonoperating revenues (expenses)	9,145,623	2,190,310	11,335,933
Income (loss) before operating transfers	16,363,137	983,573	17,346,710
Operating transfers in	-	4,796,000	4,796,000
Operating transfers in from Primary Government	-	-	-
Operating transfers out	-	-	-
Operating transfers out to Component Units	-	(1,980,412)	(1,980,412)
Net income (loss)	16,363,137	3,799,161	20,162,298
Add back of depreciation expense related to contributed assets	9,709,340	-	9,709,340
Net increase (decrease) in retained earnings	26,072,477	3,799,161	29,871,638
Retained earnings, July 1, 2000, as restated	647,354,634	47,551,866	694,906,500
Retained earnings, June 30, 2001	\$ 673,427,111	51,351,027	724,778,138

See accompanying notes to financial statements.

Exhibit A-3

Component Units		Totals
Public Schools	Redevelopment and Housing Authority	Reporting Entity (memorandum only)
-	14,336,498	14,336,498
112,592,279	2,583,166	226,317,229
-	-	76,562,614
-	-	29,238,219
-	3,673,628	4,268,691
112,592,279	20,593,292	350,723,251
10,450,966	-	10,450,966
611,216	7,912,104	44,525,558
-	-	12,772,413
-	-	29,907,760
-	9,323,273	9,323,273
105,007,083	-	154,472,068
-	5,647,812	5,647,812
-	21,910,858	21,910,858
-	5,123,694	34,259,493
2,078,064	-	55,697,161
-	-	624,611
118,147,329	49,917,741	379,591,973
(5,555,050)	(29,324,449)	(28,868,722)
-	29,045,523	30,800,660
1,264,663	1,353,122	21,460,892
-	(4,109,189)	(13,467,599)
-	2,334,490	2,334,490
-	-	96,099
1,264,663	28,623,946	41,224,542
(4,290,387)	(700,503)	12,355,820
254,121	658,715	5,708,836
-	1,437,463	1,437,463
-	(658,715)	(658,715)
-	-	(1,980,412)
(4,036,266)	736,960	16,862,992
-	-	9,709,340
(4,036,266)	736,960	26,572,332
14,966,785	59,060,104	768,933,389
10,930,519	59,797,064	795,505,721

COUNTY OF FAIRFAX, VIRGINIA

**Combined Statement of Cash Flows - All Proprietary Fund Types
and Discretely Presented Component Units**

For the fiscal year ended June 30, 2001

		Internal	Totals Primary Government (memorandum only)	Component Public Schools (3)
	Enterprise (1)	Service (2)		
Cash flows from operating activities:				
Operating income (loss)	\$ 7,217,514	(1,206,737)	6,010,777	(5,555,050)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	22,252,284	6,883,515	29,135,799	-
Write off of fixed assets	-	-	-	-
Gain on Sale of Land	-	-	-	-
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	-	(1,281)	(1,281)	657,753
(Increase) decrease in intergovernmental receivables	(1,422,073)	-	(1,422,073)	-
(Increase) decrease in due from Primary Government	-	-	-	-
(Increase) decrease in interfund receivables	-	(219,699)	(219,699)	(603,567)
(Increase) decrease in inventories of supplies	38,440	(212,941)	(174,501)	(582,697)
(Increase) decrease in prepaid items and other assets	-	(392)	(392)	-
Increase (decrease) in accounts payable and accrued liabilities, net of interest	(529,566)	3,895,029	3,365,463	1,047,724
Increase (decrease) in contracts payable	(931,766)	-	(931,766)	-
Increase (decrease) in interfund payables	-	78,748	78,748	867,767
Increase (decrease) in deferred revenue	-	-	-	2,453,627
Increase (decrease) in deposits held in trust	-	-	-	-
Total adjustments to operating income (loss)	19,407,319	10,422,979	29,830,298	3,840,607
Net cash provided (used) by operating activities	26,624,833	9,216,242	35,841,075	(1,714,443)
Cash flows from non-capital financing activities:				
Intergovernmental revenue received	-	-	-	-
Transfers from other funds	-	4,796,000	4,796,000	254,121
Transfers to other funds	-	-	-	-
Net cash provided by non-capital financing activities	-	4,796,000	4,796,000	254,121
Cash flows from capital and related financing activities:				
Intergovernmental revenue received	1,755,137	-	1,755,137	-
Principal payments on sewer revenue bonds	(4,050,000)	-	(4,050,000)	-
Principal payments on housing related bonds, notes and loans	-	-	-	-
Principal payments on capital leases and installment purchases	-	(673,007)	(673,007)	-
Interest payments on sewer revenue bonds	(9,406,135)	-	(9,406,135)	-
Interest payments on housing related bonds, notes and loans	-	-	-	-
Interest payments on capital leases and installment purchases	-	(2,152)	(2,152)	-
Proceeds from issuance of sewer revenue bond	40,000,000	-	40,000,000	-
Proceeds from issuance of housing-related notes and loans	-	-	-	-
Other financing activities	-	-	-	-
Proceeds from sale of fixed assets	79,950	819,858	899,808	-
Purchase of fixed assets	(25,458,197)	(9,356,589)	(34,814,786)	-
Acquisition of purchased capacity	(64,614,986)	-	(64,614,986)	-
Contributions received	-	-	-	-
Net cash (used) by capital and related financing activities	(61,694,231)	(9,211,890)	(70,906,121)	-
Cash flows from investing activities:				
Withdrawals from restricted investments (net)	167,282	-	167,282	-
Investment in obligations of authorities of the Commonwealth of Virginia	(2,831,000)	-	(2,831,000)	-
Proceeds from sale of property	-	-	-	-
Interest received	16,268,091	2,208,690	18,476,781	1,307,462
Net cash provided by investing activities	13,604,373	2,208,690	15,813,063	1,307,462
Net increase (decrease) in cash and cash equivalents	(21,465,025)	7,009,042	(14,455,983)	(152,860)
Cash and cash equivalents, July 1, 2000, as restated	269,286,729	64,300,651	333,587,380	44,631,927
Cash and cash equivalents, June 30, 2001	\$ 247,821,704	71,309,693	319,131,397	44,479,067

(1) Capital contributions and donations of property, plant and equipment amounted to \$394,327 for the Enterprise Fund.

(2) Certain fixed asset transfers from an internal service fund of the Primary Government to Public Schools amounted to \$1,980,412.

(3) Reconciliation of cash and cash equivalents as of June 30, 2001 for the Public Schools component unit:

Proprietary fund type, as shown above	\$ 44,479,067
Governmental fund types	173,654,794
Fiduciary fund type	14,561,987
Total for Public Schools, as per Exhibit A-7	<u>\$ 232,695,848</u>

See accompanying notes to financial statements.

Exhibit A-4

nt Units Redevelopment and Housing Authority	Totals Reporting Entity (memorandum only)
(29,324,449)	(28,868,722)
5,123,694	34,259,493
311,507	311,507
(987,899)	(987,899)
(3,489,893)	(2,833,421)
-	(1,422,073)
151,369	151,369
-	(823,266)
-	(757,198)
(89,274)	(89,666)
624,945	5,038,132
-	(931,766)
-	946,515
(275,478)	2,178,149
(29,335)	(29,335)
1,339,636	35,010,541
(27,984,813)	6,141,819
27,211,550	27,211,550
658,715	5,708,836
(658,715)	(658,715)
27,211,550	32,261,671
3,271,436	5,026,573
-	(4,050,000)
(5,748,027)	(5,748,027)
-	(673,007)
-	(9,406,135)
(3,903,031)	(3,903,031)
-	(2,152)
-	40,000,000
11,893,178	11,893,178
464,898	464,898
-	899,808
(12,804,011)	(47,618,797)
-	(64,614,986)
2,549,490	2,549,490
(4,276,067)	(75,182,188)
(30,503)	136,779
-	(2,831,000)
2,017,419	2,017,419
1,359,859	21,144,102
3,346,775	20,467,300
(1,702,555)	(16,311,398)
32,734,169	410,953,476
31,031,614	394,642,078

Combined Statement of Plan Net Assets -**Pension Trust Funds and Discretely Presented Component Unit**

June 30, 2001

	Primary <u>Government</u>	<u>Component Unit</u>	Totals
	Pension Trust	Public Schools Pension Trust	Reporting Entity (memorandum only)
Assets			
Equity in pooled cash and temporary investments	\$ 13,436,817	780,476	14,217,293
Cash with fiscal agents	-	1,149,290	1,149,290
Cash collateral for securities lending	216,773,609	87,926,835	304,700,444
Investments, at fair value	3,224,645,070	1,614,342,247	4,838,987,317
Accrued interest and dividends receivable	11,853,309	6,959,881	18,813,190
Accounts receivable	-	145,838	145,838
Receivable from sale of pension investments	85,178,498	28,124,523	113,303,021
Prepaid items	-	24,792	24,792
Total assets	3,551,887,303	1,739,453,882	5,291,341,185
Liabilities			
Accounts payable and accrued liabilities	3,377,671	1,217,007	4,594,678
Payable for purchase of pension investments	270,140,350	161,545,358	431,685,708
Liabilities for collateral received under securities lending agreements	216,773,609	87,926,835	304,700,444
Interfund payable	47,342	-	47,342
Total liabilities	490,338,972	250,689,200	741,028,172
Fund balances reserved for employees' pension benefits	\$ 3,061,548,331	1,488,764,682	4,550,313,013

See accompanying notes to financial statements.

Combining Statement of Plan Net Assets -**Pension Trust Funds (Primary Government Only)**

June 30, 2001

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement	Total all funds
Assets				
Equity in pooled cash and temporary investments	\$ 5,384,723	5,895,880	2,156,214	13,436,817
Cash collateral for securities lending	56,031,249	129,028,620	31,713,740	216,773,609
Investments, at fair value	693,867,473	1,902,545,990	628,231,607	3,224,645,070
Accrued interest and dividends receivable	3,104,237	5,237,028	3,512,044	11,853,309
Receivable from sale of pension investments	23,784,190	53,928,758	7,465,550	85,178,498
Total assets	782,171,872	2,096,636,276	673,079,155	3,551,887,303
Liabilities				
Accounts payable and accrued liabilities	618,499	1,851,992	907,180	3,377,671
Payable for purchase of pension investments	81,341,064	153,727,946	35,071,340	270,140,350
Liabilities for collateral received under securities lending agreements	56,031,249	129,028,620	31,713,740	216,773,609
Interfund payable	-	47,342	-	47,342
Total liabilities	137,990,812	284,655,900	67,692,260	490,338,972
Fund balances reserved for employees' pension benefits	\$ 644,181,060	1,811,980,376	605,386,895	3,061,548,331

See accompanying notes to financial statements.

**Combined Statement of Changes in Plan Net Assets -
Pension Trust Funds and Discretely Presented Component Unit**
For the fiscal year ended June 30, 2001

	Primary Government	Component Unit	Totals
	Pension Trust	Public Schools Pension Trust	Reporting Entity (memorandum only)
Additions:			
Contributions:			
Employer	\$ 65,928,762	29,145,883	95,074,645
Plan members	37,117,463	17,744,273	54,861,736
Total contributions	103,046,225	46,890,156	149,936,381
Investment income:			
Net depreciation in fair value of investments	(133,031,917)	(58,589,889)	(191,621,806)
Interest	57,695,150	37,216,316	94,911,466
Dividends	36,123,336	19,705,080	55,828,416
Securities lending	15,815,759	4,335,081	20,150,840
Other	249,496	261,701	511,197
Total investment income (loss)	(23,148,176)	2,928,289	(20,219,887)
Less investment expense:			
Investment fees and other	9,429,228	6,268,205	15,697,433
Securities lending	14,769,447	3,950,310	18,719,757
Total investment expense	24,198,675	10,218,515	34,417,190
Net investment loss	(47,346,851)	(7,290,226)	(54,637,077)
Total additions	55,699,374	39,599,930	95,299,304
Deductions:			
Benefits	102,496,583	79,969,985	182,466,568
Refund of contributions	5,228,879	2,092,580	7,321,459
Administrative expense	1,213,512	3,759,617	4,973,129
Total deductions	108,938,974	85,822,182	194,761,156
Net decrease	(53,239,600)	(46,222,252)	(99,461,852)
Fund balances reserved for employees' pension benefits:			
July 1, 2000	3,114,787,931	1,534,986,934	4,649,774,865
June 30, 2001	\$ 3,061,548,331	1,488,764,682	4,550,313,013

See accompanying notes to financial statements.

Combining Statement of Changes in Plan Net Assets -**Pension Trust Funds (Primary Government Only)**

For the fiscal year ended June 30, 2001

	Uniformed Retirement	Employees' Retirement	Police Officers Retirement	Total all funds
Additions:				
Contributions:				
Employer	\$ 18,818,351	29,960,984	17,149,427	65,928,762
Plan members	6,525,647	22,553,731	8,038,085	37,117,463
Total contributions	25,343,998	52,514,715	25,187,512	103,046,225
Investment income:				
Net depreciation in fair value of investments	(36,257,291)	(57,447,638)	(39,326,988)	(133,031,917)
Interest	17,191,540	24,460,557	16,043,053	57,695,150
Dividends	1,681,950	28,005,939	6,435,447	36,123,336
Securities lending	3,507,945	8,666,786	3,641,028	15,815,759
Other	60,348	178,226	10,922	249,496
Total investment income (loss)	(13,815,508)	3,863,870	(13,196,538)	(23,148,176)
Less investment expenses:				
Investment fees and other	1,694,189	5,042,389	2,692,650	9,429,228
Securities lending	3,258,347	8,066,606	3,444,494	14,769,447
Total investment expenses	4,952,536	13,108,995	6,137,144	24,198,675
Net investment loss	(18,768,044)	(9,245,125)	(19,333,682)	(47,346,851)
Total additions	6,575,954	43,269,590	5,853,830	55,699,374
Deductions:				
Benefits	18,341,664	62,431,928	21,722,991	102,496,583
Refund of contributions	336,462	4,503,567	388,850	5,228,879
Administrative expense	219,827	776,563	217,122	1,213,512
Total deductions	18,897,953	67,712,058	22,328,963	108,938,974
Net decrease	(12,321,999)	(24,442,468)	(16,475,133)	(53,239,600)
Fund balances reserved for employees' pension benefits:				
July 1, 2000	656,503,059	1,836,422,844	621,862,028	3,114,787,931
June 30, 2001	\$ 644,181,060	1,811,980,376	605,386,895	3,061,548,331

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
Combining Balance Sheet -
All Fund Types and Account Groups -
Discretely Presented Component Units
June 30, 2001

	Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Totals
Assets and other debits					
Assets:					
Equity in pooled cash and temporary investments	\$ 218,938,036	16,871,086	22,854,222	-	258,663,344
Cash in bank	-	6,203,240	-	-	6,203,240
Cash with fiscal agents	13,757,812	-	-	-	13,757,812
Cash collateral for securities lending	87,926,835	-	-	-	87,926,835
Investments	1,614,342,247	-	-	-	1,614,342,247
Receivables (net of allowances):					
Accrued interest	7,102,718	110,748	8,213	-	7,221,679
Accounts	1,242,661	3,100,670	67,451	-	4,410,782
Receivable from sale of pension investments	28,124,523	-	-	-	28,124,523
Due from intergovernmental units	27,392,384	-	-	-	27,392,384
Notes	-	7,467,662	-	-	7,467,662
Mortgages	-	85,675	-	-	85,675
Due from Primary Government	8,332,334	-	1,166,377	111,278	9,609,989
Interfund receivables	3,205,792	31,969	-	-	3,237,761
Inventories of supplies	5,220,950	-	-	-	5,220,950
Prepaid items and other assets	24,792	1,899,211	-	-	1,924,003
Restricted assets:					
Cash with fiscal agents	-	7,957,288	1,549,402	-	9,506,690
Investments	-	2,299,803	-	-	2,299,803
Land held for sale	-	4,599,973	-	-	4,599,973
Fixed assets:					
Land	41,421,804	29,156,983	160,037,684	-	230,616,471
Buildings and improvements	1,355,465,716	136,583,074	170,603,075	-	1,662,651,865
Equipment	119,392,422	5,158,731	11,155,963	13,141	135,720,257
Construction in progress	225,664,151	9,213,833	3,445,309	-	238,323,293
Accumulated depreciation	-	(57,296,812)	-	-	(57,296,812)
Other debits:					
Amount available in special revenue fund	-	-	1,549,402	-	1,549,402
Amount to be provided for retirement of general long-term obligations	43,321,079	-	29,162,156	122,706	72,605,941
Total assets and other debits	\$ 3,800,876,256	173,443,134	401,599,254	247,125	4,376,165,769

See accompanying notes to financial statements.

	Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Totals
Liabilities, fund equity and other credits					
Liabilities:					
Accounts payable and accrued liabilities	\$ 89,986,156	7,719,599	3,557,890	98,035	101,361,680
Payable for purchase of pension investments	161,545,358	-	-	-	161,545,358
Compensated absences payable	20,664,648	851,530	3,417,422	135,949	25,069,549
Obligations for claims	28,999,999	-	-	-	28,999,999
Contract retainages	7,455,592	-	135,341	-	7,590,933
Liability for collateral received under securities lending transactions	87,926,835	-	-	-	87,926,835
Liabilities under reimbursement agreements	12,004,652	-	-	-	12,004,652
Due to Primary Government	-	1,591,703	-	-	1,591,703
Interfund payables	3,205,792	31,969	-	-	3,237,761
Deferred revenue	14,770,968	2,822,890	1,531,153	-	19,125,011
Deposits	20,000	936,622	163,792	-	1,120,414
Notes payable	-	60,157,415	14,881,000	-	75,038,415
Public Housing loans payable	-	1,922,314	-	-	1,922,314
Housing bonds payable	-	12,745,000	-	-	12,745,000
Revenue bonds payable	-	-	12,720,000	-	12,720,000
Obligations under capital leases and installment purchases	22,656,431	-	-	-	22,656,431
Total liabilities	449,236,431	88,779,042	36,406,598	233,984	574,656,055
Fund equity and other credits:					
Investments in general fixed assets	1,741,944,093	-	345,242,031	13,141	2,087,199,265
Contributed capital	4,286,000	24,867,028	-	-	29,153,028
Retained earnings	10,930,519	59,797,064	-	-	70,727,583
Fund balances:					
Reserved for:					
Encumbrances	117,828,218	-	2,973,528	-	120,801,746
Inventories of supplies	1,503,115	-	-	-	1,503,115
Debt service	-	-	1,549,402	-	1,549,402
Employees' pension benefits	1,488,764,682	-	-	-	1,488,764,682
Repair and replacement of park facilities	-	-	1,700,000	-	1,700,000
Unreserved	(13,616,802)	-	13,727,695	-	110,893
Total fund equity and other credits	3,351,639,825	84,664,092	365,192,656	13,141	3,801,509,714
Total liabilities, fund equity and other credits	\$ 3,800,876,256	173,443,134	401,599,254	247,125	4,376,165,769

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types - Discretely Presented Component Units**
For the fiscal year ended June 30, 2001

	Public Schools	Park Authority	Economic Development Authority	Totals
Revenues:				
Intergovernmental	\$ 384,202,860	-	-	384,202,860
Charges for services	44,918,087	22,487,374	-	67,405,461
Revenue from the use of money and property	2,642,632	2,808,284	-	5,450,916
Recovered costs	24,224,716	-	-	24,224,716
Gifts and donations	-	777,580	-	777,580
Donated food	294,805	-	-	294,805
Other	14,341,692	459,281	-	14,800,973
Total revenues	470,624,792	26,532,519	-	497,157,311
Expenditures:				
Current:				
Community development	-	-	6,713,354	6,713,354
Parks, recreation and cultural	-	42,608,988	-	42,608,988
Education	1,448,608,572	-	-	1,448,608,572
Donated food	294,805	-	-	294,805
Capital outlay	122,577,047	15,508,689	-	138,085,736
Capital leases and installment purchases	13,370,833	-	-	13,370,833
Debt service:				
Principal retirement	-	310,000	-	310,000
Interest and other	-	845,978	-	845,978
Total expenditures	1,584,851,257	59,273,655	6,713,354	1,650,838,266
Excess (deficiency) of revenues over (under) expenditures	(1,114,226,465)	(32,741,136)	(6,713,354)	(1,153,680,955)
Other financing sources (uses):				
Operating transfers in	21,276,503	1,450,000	-	22,726,503
Operating transfers in from Primary Government:				
Proceeds from sale of bonds	130,022,301	5,601,004	-	135,623,305
Other	991,774,820	22,570,962	6,713,354	1,021,059,136
Operating transfers out	(21,530,624)	(1,450,000)	-	(22,980,624)
Operating transfers out to Primary Government	(833,926)	-	-	(833,926)
Capital leases and installment purchases	13,370,833	-	-	13,370,833
Proceeds from issuance of revenue note	-	2,131,000	-	2,131,000
Total other financing sources (uses)	1,134,079,907	30,302,966	6,713,354	1,171,096,227
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	19,853,442	(2,438,170)	-	17,415,272
Fund balances, July 1, 2000, as restated	85,480,259	22,388,795	-	107,869,054
Increase in reserve for inventories of supplies	380,830	-	-	380,830
Fund balances, June 30, 2001	\$ 105,714,531	19,950,625	-	125,665,156

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2001

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Fairfax, Virginia (the County) is organized under the Urban County Executive form of government (as defined under Virginia law). The governing body of the County is the Board of Supervisors which makes policies for the administration of the County. The Board of Supervisors comprises ten members: the Chairman, elected at large for a four-year term, and one member from each of nine supervisor districts, elected for a four-year term by the voters of the district in which the member resides. The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted primary standard-setting body for establishing governmental accounting and financial reporting principles. The County's significant accounting policies are described below.

1. Reporting Entity

As required by GAAP, the accompanying financial statements present the financial data of the County (the primary government) and its component units. The financial data of the component units are included in the County's general purpose financial statements because of the significance of their operational or financial relationships with the County. The County and its component units are together referred to herein as the reporting entity.

Blended Component Units

Blended component units are entities that are legally separate from the County but that are so closely related to the County that they are, in essence, extensions of the County. The blended component units that are reported as part of the primary government are:

Solid Waste Authority of Fairfax County (SWA) - The SWA is considered a blended component unit because the Board of Supervisors comprises the Board of Directors of the SWA and has the ability to impose its will on the SWA. This component unit is reported as an agency fund of the County, the Resource Recovery Fund.

The SWA is authorized under the Virginia Water and Waste Authorities Act and was created by the Board of Supervisors on June 29, 1987. The purpose of the SWA is to monitor the construction and operation of a solid waste facility by a commercial entity in accordance with agreements between the County, the SWA, and the commercial entity. The commercial entity completed construction and is operating the facility and making the required debt payments. The SWA will

operate the facility only in the event of default by the commercial entity under the agreements. The SWA has the right to set solid waste revenue rates charged by the facility. These charges, together with available funds, are designed to provide adequate coverage for the costs of operation and debt service. Separate financial statements of the SWA can be obtained by writing to the Accounting and Reporting Division, Department of Finance, Suite 214, 12000 Government Center Parkway, Fairfax, Virginia 22035.

Small District One - The Board of Supervisors created Small District One, which is located within the Dranesville Magisterial District, in 1970 to provide for the construction of a community center and the operation of its social, cultural, and educational and recreational facilities. This small district is reported as a separate special revenue fund of the County, the McLean Community Center Fund, because it is governed by the Board of Supervisors which has the ability to impose its will on the small district. Separate financial statements are not prepared for Small District One.

Small District Five - The Board of Supervisors created Small District Five, which is located within the Dranesville and Hunter Mill Magisterial Districts, in 1975 to provide for the construction of a community center and the operation of its social, cultural, educational and recreational facilities. This small district is reported as a separate special revenue fund of the County, the Reston Community Center Fund, because it is governed by the Board of Supervisors which has the ability to impose its will on the small district. Separate financial statements are not prepared for Small District Five.

Discretely Presented Component Units

The component units columns in the financial statements include the financial data of the County's other component units. They are presented in separate columns to emphasize that they are legally separate from the County. Separate financial statements of the component units can be obtained by writing to the Accounting and Reporting Division, Department of Finance, Suite 214, 12000 Government Center Parkway, Fairfax, Virginia 22035. All of the component units have a fiscal year end of June 30. The discretely presented component units are:

Fairfax County Public Schools (Public Schools) - Public Schools is responsible for elementary and secondary education within the County. The School Board is elected by County voters. Public Schools is fiscally dependent on the County; Public Schools operations are funded primarily by transfers from the County's general fund, and the County issues general obligation debt for Public Schools capital projects.

Fairfax County Redevelopment and Housing Authority (FCRHA) - FCRHA plans, coordinates and directs the low income housing programs within the County under the Virginia Housing Authorities Law. FCRHA was approved by a voter referendum in November 1965 and was activated by the Board of Supervisors in February 1966. FCRHA is a political subdivision of and reports to the Commonwealth of Virginia. The Board of Supervisors appoints FCRHA's

Board of Commissioners, and the County provides certain managerial and related financial assistance to FCRHA.

Fairfax County Park Authority (Park Authority) - The Park Authority maintains and operates the public parks and recreational facilities located in the County. The Board of Supervisors appoints the Park Authority's governing board, and the County provides funding for the Park Authority's general fund and one of its capital projects funds. A memorandum of understanding currently in effect between the County and the Park Authority defines the roles of the County and the Park Authority.

Fairfax County Economic Development Authority (EDA) - EDA is an independent authority legally authorized by an act of the Virginia General Assembly and was formally created on October 10, 1956, by resolutions of the Board of Supervisors. EDA's mission is to attract businesses to Fairfax County and to work with the existing businesses to retain them as they expand and create new jobs. EDA also operates the Fairfax County Convention and Visitors Bureau, established to attract business travelers and meetings and conventions to the County. The Board of Supervisors appoints the seven members of the Authority's commission which appoints the Authority's executive director. The Board of Supervisors appropriates funds annually to EDA for operating expenditures incurred in carrying out its mission.

Related Organizations

The Board of Supervisors is also responsible for appointing the members of the board of the Fairfax County Water Authority (FCWA) and the Industrial Development Authority of Fairfax County (IDAFCA), but the County's accountability does not extend beyond making the appointments. The IDAFCA does not have a significant operational or financial relationship with the County. The FCWA bills and collects for the sales of sewer services on behalf of the County's sewer system; during fiscal year 2001, the FCWA collected approximately \$59 million on behalf of the County, and as of June 30, 2001, the County has receivables of approximately \$13.5 million due from the FCWA.

Joint Venture

The County is a participant in the Upper Occoquan Sewage Authority (UOSA). UOSA is a joint venture created under the provisions of the Virginia Water and Waste Authorities Act to construct, finance and operate the regional sewage treatment facility in the upper portion of the Occoquan Watershed. UOSA was formed on March 3, 1971, by a concurrent resolution of the governing bodies of Fairfax and Prince William Counties and the Cities of Manassas and Manassas Park. The governing body of UOSA is an eight-member board of directors consisting of two members from each participating jurisdiction appointed to four-year terms. The UOSA Board of Directors adopts an annual operating budget based on projected sewage flows. The County has no explicit and measurable interest in UOSA but does have an ongoing financial responsibility for its share of UOSA's operating costs, construction costs and annual debt service. Complete financial statements of UOSA can be obtained by writing to P.O. Box 918, Centreville, Virginia 20122.

2. Basis of Presentation - Fund Accounting

The accounts of the reporting entity are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for in a separate set of self-balancing accounts comprised of assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate.

The account groups are concerned only with the measurement of financial position and do not measure results of operations. Following is a description of the funds and account groups included in the accompanying financial statements.

Governmental Funds

General Fund: A general fund is used to account for all revenue sources and expenditures which are not required to be accounted for in other funds. In the County's General Fund, revenues are derived primarily from general property taxes; local sales taxes; utility taxes; business, professional and occupational licenses; the use of money and property; license and permit fees, and state shared taxes. Expenditures and operating transfers out include the costs of general County government and transfers to other funds and component units, principally to fund the operations of the Public Schools and for debt service requirements.

Special Revenue Funds: The special revenue funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds: The debt service funds are used to account for the accumulation of resources for, and the payment of, the general obligation debt service of the County and for the debt service of the lease revenue bonds and special assessment debt. Included in this fund type is the School Debt Service Fund as the County is responsible for servicing the general obligation debt it has issued on behalf of the School Board.

Capital Projects Funds: The capital projects funds are used to account for financial resources used for all general construction projects other than enterprise fund construction.

Proprietary Funds

Enterprise Funds: The enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent is that costs are recovered primarily through user charges, or (b) where it has been decided that the determination of net income is appropriate for capital maintenance, management control and accountability. The Fairfax County Integrated Sewer System (System) is an enterprise fund of the County. This fund is used to account for the financing, construction and operations of the countywide sewer system.

Internal Service Funds: The internal service funds are used to account for the financing of services provided by one department to another department on a cost reimbursement basis.

Fiduciary Funds

Trust and Agency Funds: The trust and agency funds are used to account for the assets held by the reporting entity in a trustee or agency capacity. Trust funds account for assets held by the reporting entity under the terms of formal trust agreements and include the pension trust funds. Agency funds are custodial in nature and are maintained to account for funds received, held and disbursed by the reporting entity for various governmental agencies and other organizations.

Account Groups

General Fixed Assets Account Groups: The general fixed assets account groups are used to account for fixed assets that have been acquired for general governmental purposes and which are not accounted for in proprietary funds. The costs of such assets are recorded as expenditures in the general, special revenue, and capital projects funds. Assets valued over \$5,000 with useful lives longer than one year are capitalized in the general fixed assets account group at historical cost, if available, or otherwise at estimated historical cost. Donated fixed assets are recorded at fair market value as of the date of donation. Depreciation is not recorded on general fixed assets. The reporting entity does not capitalize public domain or infrastructure fixed assets: roads, bridges, curbs, gutters, streets, sidewalks, trails, storm drains, and street lights.

General Long-Term Obligations Account Groups: The general long-term obligations account groups are used to account for the unmatured long-term debt that is not recorded as a specific fund liability of the proprietary funds and certain other liabilities that are not expected to be liquidated with expendable available financial resources. Included are general obligation bonds, lease revenue bonds, the special assessment debt, long-term payables to component units, accrued compensated absences, obligations under capital leases and installment purchase agreements, the sanitary landfill closure obligation and an estimated liability for claims and judgments.

3. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds use the flow of current financial resources measurement focus and use the modified accrual basis of accounting. Under this method, revenues are recorded when they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the period. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. The primary revenues susceptible to accrual include property, business license and other local taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the individual programs are used as guidance. Expenditures are recorded when the related fund liability is incurred, except that principal and interest on general long-term debt are recorded as fund liabilities when due, and compensated absences are recorded as described in section 11 of this note. The agency funds also use the modified accrual basis of accounting to recognize assets and liabilities.

All proprietary funds and pension trust funds are accounted for on the economic resources measurement focus and use the accrual basis of accounting. Under this method, in the proprietary funds, revenues are recognized when earned and expenses are recognized when incurred. Unbilled System receivables net of an allowance for uncollectible accounts are recorded at year end to the extent they can be estimated. For the pension trust funds, member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

In preparing its proprietary fund type financial statements, the reporting entity has adopted Paragraph 7 of GASB Statement No. 20 titled "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting," under which the reporting entity has applied all Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, except for those that conflict with or contradict GASB pronouncements.

4. Budgetary Data

The Board of Supervisors adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- a. By March 1, the County Executive submits to the Board of Supervisors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. During April, public hearings are conducted to obtain taxpayer comments. By May 1, the budget is legally enacted through passage of an appropriation resolution.
- b. The operating budget includes all County appropriated funds and certain non-appropriated funds. The non-appropriated funds are primarily certain funds of the Park Authority and FCRHA that are not financed by the County.
- c. Budget reviews are held during the fiscal year. Public hearings are held if the recommended increase in the appropriated budget is greater than \$500,000, or 1.0 percent of revenues. In compliance with the Board of Supervisors' policy, any adjustments made during the fiscal year are not to exceed two percent of the adopted General Fund appropriations.
- d. The budget is controlled at certain legal and administrative levels. The Code of Virginia requires that the County annually adopt a balanced budget. The adopted Fiscal Planning Resolution places legal restrictions on expenditures at the agency or fund level and identifies administrative controls at the character or project level. The County's Department of Management and Budget is authorized to transfer budgeted amounts between characters or projects within any agency or fund as a management function. Any revisions that alter the total expenditures of any agency or fund must be approved by the Board of Supervisors.
- e. Annual operating budgets are adopted for all appropriated governmental funds,

except for the capital projects funds in which budgetary control is achieved on a project-by-project basis. The budgets are on a basis consistent with GAAP, except that:

- revenue from investments is recognized in the governmental funds for budget purposes only if collected within 45 days of year end, instead of as earned (see schedule below),
- amortization of deferred rent is not budgeted (see schedule below),
- certain loans are reported as expenditures when made and as revenue when repaid for budget purposes in the Community Development Block Grant (CDBG) Fund (see schedule below),
- offsetting revenues and expenditures related to donated food are not budgeted,
- certain amounts which are budgeted as expenditures in the general fund, certain special revenue funds and a capital projects fund have been reported as transfers out to component units,
- certain reported revenues are budgeted as expenditure reductions in certain special revenue funds,
- capital lease transactions when initiated are not budgeted as offsetting expenditures and other financing sources,
- the proceeds from the sale of refunding bonds that are deposited with an escrow agent to provide the resources to redeem refunded bonds are not budgeted as other financing sources and uses,
- certain fixed asset transfers from the Vehicle Services Fund, an internal service fund of the County, to Public Schools are not budgeted, and
- the Elderly Housing Program Fund and the Homeowner and Business Loan Program Fund are budgeted as special revenue funds of the primary government but are reported as enterprise funds of the FCRHA.

The following schedule reconciles the amounts on the Combined Statement of Revenues and Expenditures - Budget and Actual (Budget Basis) (Exhibit A-2) to the amounts on the Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit A-1):

	Primary Government	
	General Fund	Special Revenue Funds
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (Budget basis)	\$ (3,836,938)	9,642,086
Basis differences:		
Revenue from investments	(3,013,029)	(1,079,248)
Amortization of deferred rent - Fairfax-Falls Church Community Services Board Fund	-	4,977
Reporting of certain loans - CDBG Fund	-	54,721
Entity difference - Non-appropriated fund - Alcohol Safety Action Program Fund	-	(122,337)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis)	\$ (6,849,967)	8,500,199

- f. Budgeted amounts are shown as originally adopted or as amended by the Board of Supervisors during the course of the fiscal year. The amendments were not significant in relation to the original budget.
- g. Appropriations lapse at June 30 unless the Board of Supervisors approves carrying them forward to the next fiscal year.
- h. For financial reporting purposes, Exhibit A-2 presents budget and actual information only for those annually appropriated governmental funds considered to be funds of the primary government. For the special revenue funds, the operating budget's appropriated funds include certain funds which, for financial reporting purposes, are considered to be funds of the Public Schools and FCRHA. The budget amounts for special revenue funds in Exhibit A-2 are reconciled to the amended operating budget's appropriated funds as follows:

	Primary Government Special Revenue (Exhibit A-2)	Component Units Public Schools and FCRHA	Total Amended Operating Budget
Budgeted revenues	\$ 256,438,641	472,475,973	728,914,614
Budgeted transfers in	134,198,166	1,003,250,460	1,137,448,626
Total budgeted revenues and transfers in	390,636,807	1,475,726,433	1,866,363,240
Budgeted expenditures	455,431,033	1,524,649,479	1,980,080,512
Budgeted transfers out	16,550,210	21,530,624	38,080,834
Total budgeted expenditures and transfers out	471,981,243	1,546,180,103	2,018,161,346
Budgeted deficiency of revenues and other financing sources under expenditures and other financing uses	\$ (81,344,436)	(70,453,670)	(151,798,106)

5. Pooled Cash and Temporary Investments

The County maintains cash and temporary investments for all funds in a single pooled account, except for certain cash and investments required to be maintained with fiscal agents or in separate pools or accounts in order to comply with the provisions of bond indentures. The component units also invest in the pooled cash account. As of June 30, 2001, the pooled cash and temporary investments have been allocated between the County and the respective component units based upon their respective ownership percentages. Temporary investments consist of money market investments that have a remaining maturity at the time of purchase of one year or less and are reported at amortized cost, which approximates fair value. Interest earned, less an administrative charge, is allocated generally to the respective funds and component units based on each fund's or unit's equity in the pooled account. In accordance with the County's legally adopted operating budget, interest earned by certain funds is assigned directly to the General Fund.

For the year ended June 30, 2001, interest earned by certain funds assigned directly to the General Fund is as follows:

Primary Government:	
Special Revenue Funds:	
County Transit Systems	\$ 1,209,210
Aging Grants and Programs	81,287
Cable Communications	667,626
Fairfax-Falls Church Community Services Board	1,976,309
Consolidated Community Funding Pool	163,117
Contributory	129,207
Housing Trust	109,985
Debt Service Funds:	
County Debt Service	3,562,125
School Debt Service	3,679,659
Capital Projects Funds:	
Countywide Roadway Improvement	156,564
Library Construction	146,130
County Construction	1,439,299
Primary and Secondary Road Bond Construction	354,987
Northern Virginia Regional Park Authority	9,685
Sidewalk Construction	295,269
Public Works Construction	757,399
Metro Operations and Construction	224,714
Storm Drainage Bond Construction	19,012
County Bond Construction	768,618
Public Safety Construction	5,981
Trail Construction	28,575
Neighborhood Improvement	24,306
Commercial Revitalization Program	54,135
Pro Rata Drainage Construction	1,343,050
Housing Assistance Program	148,084
Housing General Obligation Bond Construction	6,444
Internal Service Funds:	
Central Stores	1,915
Retiree Health Benefits	75,073
Vehicle Services	1,113,881
Document Services	191,496
Technology Infrastructure Services	493,250
Agency Funds:	
State Taxes	1,184
Lake Barcroft Watershed	2,075
Total Primary Government	19,239,651
Component Units:	
Public Schools:	
General Fund	10,135,940
Capital Projects Fund	751,976
Internal Service Fund - Central Procurement	1,558,946
Total Public Schools	12,446,862
FCRHA: Enterprise Fund - Homeowners and Business Loan Program	128,050
Park Authority: Capital Projects Fund - Construction Bond	332,077
Total Component Units	12,906,989
Total Reporting Entity	\$ 32,146,640

6. Cash and Cash Equivalents

For purposes of the statements of cash flows, the amounts reported as cash and cash equivalents for the proprietary fund types represent funds maintained in the reporting entity's investment pool, as they are considered to be demand deposits for the purpose of complying with GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities that use Proprietary Fund Accounting."

7. Investments

Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value. Other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Asset-backed securities are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar investments. Investment purchases and sales are recorded as of the trade date. These transactions are not finalized until the settlement date, which occurs approximately three business days after the trade date. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets and as related liabilities for collateral received.

8. Inventories

Inventories are valued and carried on an average unit cost basis. Inventory in the general fund and special revenue funds consists of expendable operating supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased. At year end, a portion of the fund balance is reserved for the ending inventory balance. This reserve is maintained to indicate that a portion of the fund balance is not available for future appropriations.

The consumption method of accounting for inventory is used in the proprietary fund types. Under this method, inventory items are generally expensed as they are consumed as operating supplies and spare parts.

9. Restricted Assets

The County holds certificates of deposit purchased by developers under the terms of performance agreements. The County may require a developer to enter into these agreements in order to ensure that certain structures and improvements are completed according to approved site plans. The certificates, issued by various financial institutions, are released to the developer when the terms of the agreement have been satisfied. The amount of the certificates held is reported as a restricted asset in the General Fund.

In accordance with the provisions of the 1985 General Bond Resolution, certain assets of the System are restricted for specific future uses such as repayment of debt obligations, payments on construction projects, and extensions and improvements. Additionally, other assets of the System have been restricted for biological nitrogen removal projects. In accordance with requirements of the Department of Housing and Urban Development

and the Virginia Housing Development Authority, FCRHA is required to maintain certain restricted deposits and funded reserves for repairs and replacements.

In accordance with the provisions outlined in the Park Authority's First Supplemental Indenture of Trust, 1995, the Park Authority has restricted assets representing the amount of the debt service reserve requirement pertaining to its Park Facilities Revenue Bonds, Series 1995.

10. Fixed Assets - Proprietary Funds

Fixed assets valued over \$5,000 with useful lives longer than one year are capitalized in the proprietary funds. Fixed assets purchased by these funds are stated at cost or estimated cost. Donated fixed assets are recorded at their estimated fair market value as of the date of donation and are reported as additions to fixed assets and contributed capital. Assets are depreciated over their estimated useful lives using the straight-line method. Depreciation on constructed assets begins when the assets are substantially ready for use. Depreciation on the County Integrated Sewer System Fund's contributed assets is initially charged to operations and then reclassified as a reduction of contributed capital. The estimated useful lives are as follows:

Fixed Assets - Proprietary Funds	Useful lives
Buildings	30 - 50 years
Improvements	10 - 30 years
Equipment	5 - 15 years
Sewer lines	50 years

For constructed assets, all associated costs necessary to bring such assets to the condition and location necessary for their intended use are initially capitalized as construction in progress and are transferred to buildings or improvements when the assets are substantially complete and ready for use.

11. Compensated Absences

All reporting entity employees earn annual leave based on a prescribed formula which allows employees with less than ten years of service to accumulate a maximum of 240 hours and employees with ten years or more of service to accumulate a maximum of 320 hours of annual leave as of the end of each calendar year. In addition all employees, except for Public Schools employees, may accrue compensatory leave for hours worked in excess of their scheduled hours. Compensatory leave in excess of 240 hours at the end of the calendar year is forfeited.

The current pay rate, or the best estimate thereof, including certain additional employer related fringe benefits, is used in all compensated absences accruals at June 30. In the governmental funds, leave expected to be taken within 45 days after year end is deemed a current liability and therefore is included in the expenditures and accrued liabilities of the governmental funds. The portion of the liability not currently due and payable is recorded in the general long-term obligations account groups and will be liquidated with future resources. The accrual for compensated absences is reflected in the proprietary funds where applicable.

12. Encumbrances

The reporting entity uses encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded to reserve that portion of the applicable appropriation. Encumbrances represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders in process are completed. Encumbrances for the capital projects funds, Public Schools' capital projects fund and the Park Authority's Park Revenue Fund do not lapse until the completion of the projects and are reported as reservations of fund balance at year end. Funding for all other encumbrances lapses at year end and requires reappropriation by the Board of Supervisors.

13. Designations of Unreserved Fund Balances

Unreserved fund balance as of June 30, 2001, consists of significant designations. Approximately \$24.3 million of the County's General Fund have been designated for revenue stabilization use for future periods of economic downturn. In addition, approximately \$43.7 million of the County's General Fund have been designated for the temporary financing of unforeseen emergency needs and to permit orderly adjustment to changes resulting from termination of revenue sources through actions of other governmental bodies. Approximately \$52.1 million of the I-95 Refuse Disposal Fund, a special revenue fund, have been designated for landfill closure and postclosure costs. Approximately \$6.6 million of the Resource Recovery Facility Fund, a special revenue fund, have been designated for solid waste disposal purposes. Approximately \$1.6 million of the Park Authority's Park Capital Improvement Fund, a capital projects fund, have been designated for expenditures related to the E.C. Lawrence Park.

14. Recovered Costs

Reimbursements from another government, organization or private company for utilities, tuition fees, vehicle insurance and services rendered or provided to citizens are recorded as recovered costs.

15. Intermunicipal Agreements

The System has entered into several intermunicipal agreements for the purpose of sharing sewage flow and treatment facility costs. The payments made to reimburse operating costs and debt service requirements are recorded as expenses in the year due. Payments made to fund the System's portion of facility expansion and upgrade costs are capitalized as purchased capacity. The System amortizes these costs over the period in which benefits are expected to be derived, which is generally 30 years.

The City of Fairfax makes payments to the County for the City's share of governmental services and debt service costs. Payments for governmental services such as court, jail, custody, health, library, and County agent services are recorded as revenue in the general fund. Debt service payments represent the City's share of principal and interest and are recorded as revenue in the County Debt Service Fund. In addition, the City pays the County a share of the local portion of all public assistance payments and services including related administrative costs, which is recorded as revenue in the General Fund.

The City of Falls Church receives its governmental services from Arlington County. However, Falls Church makes payments to Fairfax County for the full cost of the local portion of public assistance payments (including allocated administrative costs) and for the use of special County health facilities by Falls Church residents; these payments are recorded as revenue in the General Fund.

The County and the cities of Fairfax and Falls Church comprise the Fairfax-Falls Church Community Services Board (CSB), established under State mandate in 1969, to provide mental health, mental retardation and drug and alcohol abuse treatment services to residents of the three jurisdictions. The CSB uses the County as its fiscal agent. The operations of the CSB, including payments received from these cities for services performed by the County, are recorded in a special revenue fund.

16. Recognition of Sewer Availability Fees

Availability fees are charged to new customers for initial access to the sewer system. Availability fees provide funds for the operations and maintenance of the sewer system and are recognized as an operating revenue.

17. Memorandum Only Columns on Combined Statements

Total columns on the combined statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with GAAP. Such data are not comparable to a consolidation. Interfund eliminations have not been made in the aggregation of these data.

B. DEPOSITS AND INVESTMENTS

1. Deposits

At June 30, 2001, all of the reporting entity's deposits were covered by federal depository insurance or collateralized in accordance with the Virginia Security for Public Deposits Act (Act). The Act provides for the pooling of collateral pledged with the Treasurer of Virginia to secure public deposits as a class. No specific collateral can be identified as security for one public depositor and public depositors are prohibited from holding collateral in their name as security for deposits. The State Treasury board is responsible for monitoring compliance with the collateralization and reporting requirements of the Act and for notifying local governments of compliance by banks and savings and loan associations. A multiple financial institution collateral pool that provides for additional assessments is similar to depository insurance. If any member financial institution fails, the entire collateral pool becomes available to satisfy the claims of governmental entities. If the value of the pool's collateral is inadequate to cover the loss, additional amounts would be assessed on a pro rata basis to the members of the pool. Funds deposited in accordance with the requirements of the Act are considered fully secured and thus are not categorized below.

A summary of the reporting entity's public deposits at June 30, 2001, is as follows:

	Carrying Value	Bank Balance
Primary Government	\$ 71,981,167	120,640,869
Component units	51,190,423	64,745,506
Total reporting entity	\$ 123,171,590	185,386,375

The bank balance above includes the pooled cash account which, for reporting purposes, has been allocated between the primary government and the participating component units. The differences between carrying values and bank balances generally result from checks outstanding and deposits in transit at June 30, 2001.

2. Allowed Investments

Except for its pension funds, under the Virginia Investment of Public Funds Act, the reporting entity is authorized to purchase the following investments:

- Commercial paper
- Money market funds
- Bankers acceptances
- Repurchase agreements
- Medium term corporate notes
- Local government investment pool
- U.S. Treasury and agency securities
- Obligations of the Asian Development Bank
- Obligations of the African Development Bank
- Obligations of the International Bank for Reconstruction and Development
- Obligations of the Commonwealth of Virginia and its instrumentalities
- Obligations of counties, cities, towns, and other public bodies located within the Commonwealth of Virginia
- Obligations of state and local government units located within other states
- Savings accounts or time deposits in any bank or savings and loan association within the Commonwealth that complies with the Virginia Security for Public Deposits Act

The reporting entity's investment policy requires that securities underlying repurchase agreements must have a market value of at least 102 percent of the cost of the repurchase agreement. The market value of the securities underlying repurchase agreements is monitored on a daily basis during the year by the reporting entity to ensure compliance with the policy.

3. Pension Fund Investments

The authority to establish pension funds is set forth in the Code of Virginia which authorizes the following investments for pension funds:

- U.S. Treasury and agency securities
- Obligations of the Commonwealth of Virginia and its instrumentalities
- Obligations of counties, cities, towns, and other public bodies located

within the Commonwealth of Virginia
Obligations of state and local governmental units located within other states
Obligations of the International Bank for Reconstruction and Development
Obligations of the Asian Development Bank
Obligations of the African Development Bank

In addition, the Code of Virginia provides that the reporting entity may purchase other investments for pension funds (including common and preferred stocks and corporate bonds) that meet the standard of judgment and care set forth in the Code.

Boards of Trustees policies permit the pension funds to lend their securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The pension funds' custodians are the agents in lending the pension funds' domestic and international securities for collateral of 102 and 105 percent, respectively, of the market value of the related security. The custodians receive cash, securities and irrevocable bank letters as collateral. All securities loans can be terminated on demand by either the pension funds or the borrowers. Cash collateral is invested in the lending agents' collective collateral investment pools. The pension funds do not have the ability to pledge or sell securities received as collateral in the absence of borrower default. The relationship between the maturities of the investment pools and the pension funds' loans is affected by the maturities of securities loans made by other plan entities that invest cash collateral in the investment pools, which the pension funds cannot determine.

The pension funds did not impose any restrictions during the period on the amounts of loans the lending agents made on their behalf, and the agents would indemnify the pension funds by agreeing to purchase replacement securities, or return the cash collateral thereof, in the event a borrower fails to return loaned securities or pay distributions thereon. There were no such failures by any borrower during the fiscal year, nor were there any losses during the period resulting from the default of a borrower or lending agent. At year end, the pension funds had no credit risk exposure to borrowers because the amounts the pension funds owed the borrower exceeded the amounts the borrowers owed the pension funds.

4. Custodial Credit Risk Categories

The reporting entity's investments are categorized to give an indication of the level of custodial credit risk assumed by the entity as of June 30, 2001. Category 1 includes investments that are insured or registered, or securities held by the reporting entity or its agent in the reporting entity's name. Category 2 includes investments that are uninsured or unregistered, with securities held by the counterparty's trust department or agent in the reporting entity's name. Category 3 includes investments that are uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the reporting entity's name. Securities lent for securities and irrevocable letters of credit collateral are classified according to the category of the collateral received. All of the reporting entity's investments are Category 1 investments, except for mutual funds, short-term investment funds, securities lending short-term collateral investment pools and investments held under securities loans with cash collateral, which are not categorized because such investments are not evidenced by specific securities.

The reporting entity's investments as of June 30, 2001, are summarized below at carrying value:

INVESTMENTS at June 30, 2001	
Description	
Primary Government	
Pooled Investments:	
Bankers Acceptances	\$ 136,471,075
Commercial Paper	254,082,235
U.S. Treasury Securities	280,895,634
Repurchase Agreements	96,826,017
Total Pooled Investments	768,274,961
Integrated Sewer System Fund:	
Repurchase Agreements	7,722,223
U.S. Treasury Securities	15,328,434
Obligations of Authorities of the Commonwealth of Virginia	16,679,475
Total Integrated Sewer System Fund	39,730,132
Vienna/Huntington Metrorail Fund:	
Repurchase Agreements	2,229,375
U.S. Treasury Securities	7,409,060
Total Vienna/Huntington Metrorail Fund	9,638,435
Resource Recovery Fund:	
Repurchase Agreements	3,014,392
U.S. Treasury Securities	28,587,529
Total Resource Recovery Fund	31,601,921
Employees' Retirement System Fund:	
Short-term Investments:	
Corporate Bonds	34,314,142
Asset-Backed Securities	92,454,433
Government Bonds	12,013,605
Common and Preferred Stock	
Not on Securities Loan	543,602,291
On Securities Loan for Letter of Credit Collateral	6,919,189
U.S. Treasury Securities	17,355,299
Asset-Backed Securities	207,805,160
Other Bonds and Notes	82,976,166
Total Supplemental Retirement System Fund	997,440,285
Police Officers Retirement System Fund:	
Common and Preferred Stock	
Not on Securities Loan	294,199,350
On Securities Loan for Securities Collateral	4,095,515
U.S. Treasury Securities	4,673,661
Asset-Backed Securities	96,766,164
Municipal Bonds	400,411
Other Bonds and Notes	85,337,472
Total Police Officers Retirement System Fund	485,472,573

INVESTMENTS at June 30, 2001	
Description	
Uniformed Retirement System Fund:	
Short-term Investments:	
Corporate Bonds	\$ 4,100,000
Asset-Backed Securities	2,396,300
Common and Preferred Stock	
Not on Securities Loan	75,328,385
On Securities Loan for Letter of Credit Collateral	2,294,372
U.S. Treasury Securities	7,553,733
Asset-Backed Securities	99,368,416
Other Bonds and Notes	107,880,891
Total Uniformed Retirement System Fund	298,922,097
Mutual and Short-Term Investment Funds:	
Integrated Sewer System Fund	730,080
Vienna/Huntington Metrorail Fund	12,694
Resource Recovery Fund	609,494
Employees' Retirement System Fund	785,334,571
Police Officers Retirement System Fund	113,815,348
Uniformed Retirement System Fund	341,291,262
Total Mutual and Short-Term Investment Funds	1,241,793,449
Securities Lending Short-Term Collateral Investment Pools:	
Employees' Retirement System Fund	129,028,620
Police Officers Retirement System Fund	31,713,740
Uniformed Retirement System Fund	56,031,249
Total Securities Lending Short-Term Collateral Investment Pools	216,773,609
Investments held under Securities Loans with Cash Collateral:	
Employees' Retirement System Fund	
Common and Preferred Stock	63,322,708
U.S. Treasury Securities	34,111,150
Asset-backed securities	6,157,513
Other Bonds and Notes	16,179,763
Police Officers Retirement System Fund	
Common and Preferred Stock	9,316,829
U.S. Treasury Securities	19,038,373
Other Bonds and Notes	588,484
Uniformed Retirement System Fund	
Common and Preferred Stock	13,869,669
U.S. Treasury Securities	29,583,880
Asset-backed securities	8,046,055
Other Bonds and Notes	2,154,510
Total Investments held under Securities Loans with Cash Collateral	202,368,934
Total Primary Government	4,292,016,396
Component Units	
Pooled Investments:	
Bankers Acceptances	42,088,508
Commercial Paper	78,360,504
U.S. Treasury Securities	86,629,919
Repurchase Agreements	29,861,732
Total Pooled Investments	236,940,663

Description	
FCRHA - Private Finance Fund:	\$
Repurchase Agreements	2,299,803
Educational Employees' Supplementary Retirement System Fund:	
Short-term Investments	
Not on Securities Loan	52,999,140
U.S. Treasury Securities	
Not on Securities Loan	30,331,439
On Securities Loan for Securities Collateral	360,488
Corporate Bonds	151,860,711
Common Stock	
Not on Securities Loan	823,457,574
Preferred Stock	4,543,703
Asset-Backed Securities	280,646,880
Other Bonds and Notes	53,233,882
Total Educational Employees' Supplementary Retirement System Fund	1,397,433,817
Mutual Funds:	
Educational Employees' Supplementary Retirement System Fund	131,765,441
Securities Lending Short-Term Collateral Investment Pool:	
Educational Employees' Supplementary Retirement System Fund	87,926,835
Investments held under Securities Loans with Cash Collateral:	
Educational Employees' Supplementary Retirement System Fund	
Short-term Investments	8,018,171
Common and Preferred Stock	28,064,682
U.S. Treasury Securities	26,202,789
Asset-Backed Securities	5,710,805
Other Bonds and Notes	17,146,542
Total Investments held under Securities Loans with Cash Collateral	85,142,989
Total Component Units	1,941,509,548
Total Reporting Entity	\$ 6,233,525,944

Reconciliation of total deposits and investments to the Combined Balance Sheet (Exhibit A)	Primary Government	Component Units	Total Reporting Entity
Total Deposits, Including Performance Bonds	\$ 71,981,167	51,190,423	123,171,590
Total Investments	4,292,016,396	1,941,509,548	6,233,525,944
Total Deposits and Investments	4,363,997,563	1,992,699,971	6,356,697,534
Equity in Pooled Cash and Temporary Investments	675,835,475	258,663,344	934,498,819
Cash in banks	-	6,203,240	6,203,240
Cash with fiscal agents	899,787	13,757,812	14,657,599
Investments	3,499,960,698	1,702,269,082	5,202,229,780
Restricted Assets:			
Equity in Pooled Cash and Temporary Investments	162,874,811	-	162,874,811
Cash with Fiscal Agents	-	9,506,690	9,506,690
Certificate of Deposit- Performance Bonds	646,055	-	646,055
Investments	23,780,737	2,299,803	26,080,540
Total Equity in Pooled Cash, Investments, and Cash with Fiscal Agents	\$ 4,363,997,563	1,992,699,971	6,356,697,534

5. Derivatives

The County Retirement Systems (Systems), including the Employees', Police Officers, Uniformed and Educational Systems, invest in derivatives as permitted by the Code of Virginia and in accordance with policies set by their respective Board of Trustees. The Systems may invest in various derivative instruments on a limited basis, in order to increase potential earnings and to hedge against potential losses.

During fiscal year 2001, the Systems invested in derivative instruments, which are generally not reported in the financial statements, and some traditional securities that have derivative-like characteristics, which generally are reported. Derivative investments include futures, forwards, and options or swap contracts. Traditional securities with derivative-like characteristics include structured notes, in which the return may be linked to one or more investment indexes; and certain asset-backed securities, such as collateralized mortgage obligations, whose values are sensitive to changes in interest rates and prepayments.

The Systems entered into these types of investments to:

- gain market exposure to the S&P 500 and the U.S. Treasury indexes in a more efficient way and at lower transaction costs,
- effect settlement of securities traded in currencies other than U.S. dollars and to protect the base currency (U.S. dollars) from fluctuations in the exchange rates of foreign currencies,
- increase earnings,
- provide exposure to portions of the mortgage market, and/or
- control duration within the portfolio.

These investments generally contain market risks due to:

- adverse changes in market prices,
- changes in interest rates and the level of the underlying prepayments, and/or
- adverse movements in currency exchange rates.

The credit risks associated with these investments are inherent with the:

- creditworthiness of the counterparties to the contracts, and
- creditworthiness of the related consumers or mortgagees.

The Systems are indirectly exposed to market and credit risks associated with ownership interest in certain mutual funds which hold futures contracts, options, collateralized mortgage obligations, interest-only strip securities and call warrants.

At June 30, 2001, the notional values of the derivative investments, including mutual funds, that are not reported in the financial statements are: Employees' - \$19.3 million, Uniformed - \$2.5 million, and Educational - \$56 million.

The table below shows the percentage of in-financial-statement investments in derivatives, including mutual funds, to the total portfolio (at fair value) for each system at June 30, 2001, and the range of holdings for the fiscal year, as derived from quarterly reports.

Percentage of Total Portfolio Invested in Derivatives			
Retirement System:	At June 30, 2001	High During Year	Low During Year
Employees'	0.4 %	0.8 %	0.3 %
Police Officers	3.3	4.2	3.3
Uniformed	0.4	0.4	(0.2)
Educational	6.4	6.4	(2.2)

C. RECEIVABLES

Receivables of the primary government at June 30, 2001, consist of the following:

	General	Special Revenue	Capital Projects	Enterprise	Internal Service	Fiduciary	Total
Receivables:							
Accrued interest	\$ 219,955	312,571	16,578	110,718	20,270	11,855,305	12,535,397
Property taxes:							
Delinquent	40,294,632	-	-	-	-	-	40,294,632
Not yet due	1,480,152,200	6,976,000	-	-	-	-	1,487,128,200
Business license taxes-delinquent	7,138,969	-	-	-	-	-	7,138,969
Accounts	10,539,535	10,447,725	1,107,239	-	13,303	23,728	22,131,530
Receivable from sale of pension investments	-	-	-	-	-	85,178,498	85,178,498
Notes	-	5,122,582	-	-	-	-	5,122,582
Total receivables	1,538,345,291	22,858,878	1,123,817	110,718	33,573	97,057,531	1,659,529,808
Allowances for uncollectibles:							
Property taxes:							
Delinquent	21,629,805	-	-	-	-	-	21,629,805
Not yet due	6,257,200	-	-	-	-	-	6,257,200
Business license taxes - delinquent	3,608,551	-	-	-	-	-	3,608,551
Accounts receivable	-	281,781	-	-	-	-	281,781
Total allowance for uncollectibles	31,495,556	281,781	-	-	-	-	31,777,337
Total net receivables	\$ 1,506,849,735	22,577,097	1,123,817	110,718	33,573	97,057,531	1,627,752,471

Delinquent property taxes receivable from taxpayers in the General Fund as of June 30, 2001, consist of the following:

Year of Levy	Real Estate	Personal Property	Total
2000	\$ 4,494,136	9,517,195	14,011,331
1999	1,542,989	5,034,530	6,577,519
1998	797,004	4,482,144	5,279,148
Prior years	1,834,209	6,550,265	8,384,474
Total delinquent taxes	\$ 8,668,338	25,584,134	34,252,472
Penalty and interest			6,042,160
Total delinquent taxes, penalty and interest			40,294,632
Allowances for uncollectibles			21,629,805
Net delinquent tax receivables			\$ 18,664,827

Property taxes receivable from the state government are reflected in Note D. Additional information regarding property taxes is contained in Note M.

Receivables of the component units at June 30, 2001, consist of the following:

	Public Schools	FCRHA	Park Authority	Total
Accrued interest	\$ 7,102,718	110,748	8,214	7,221,680
Accounts	1,242,661	3,100,670	67,451	4,410,782
Receivable from sale of pension investments	28,124,523	-	-	28,124,523
Notes	-	10,175,173	-	10,175,173
Mortgages	-	85,675	-	85,675
Total receivables	1,242,661	13,361,518	67,451	14,671,630
Allowances for uncollectibles	-	2,707,511	-	2,707,511
Total net receivables	\$ 1,242,661	10,654,007	67,451	11,964,119

D. DUE FROM INTERGOVERNMENTAL UNITS

Amounts due to the primary government and component units from other governmental units at June 30, 2001, include:

	Primary Government					Totals Primary Government	Component Unit Public Schools	Totals Reporting Entity
	General	Special Revenue	Capital Projects	Enterprise	Fiduciary			
Federal government	\$ 3,187,432	9,037,412	10,000	190,145	-	12,424,989	15,428,358	27,853,347
State government:								
Property taxes:								
Delinquent	6,639,347	-	-	-	-	6,639,347	-	6,639,347
Allowance for uncollectibles	(2,823,644)	-	-	-	-	(2,823,644)	-	(2,823,644)
Not yet due	168,847,000	-	-	-	-	168,847,000	-	168,847,000
Allowance for uncollectibles	(4,845,900)	-	-	-	-	(4,845,900)	-	(4,845,900)
Other	32,964,789	477,208	300,577	-	31,546	33,774,120	11,910,501	45,684,621
Local governments	1,341,687	1,829,832	-	18,997,481	-	22,169,000	53,525	22,222,525
Total	\$ 205,310,711	11,344,452	310,577	19,187,626	31,546	236,184,912	27,392,384	263,577,296

E. INTERFUND RECEIVABLES AND PAYABLES

The composition of interfund balances at June 30, 2001, is as follows:

	Interfund Receivables	Interfund Payables
Primary Government:		
General Fund	\$ 4,469,727	-
Special Revenue Funds:		
Federal/State Grants	-	2,607,303
Aging Grants and Programs	-	10,176
Cable Communications	-	15,784
Fairfax-Falls Church Community Services Board	-	365,254
Reston Community Center	-	13,517
McLean Community Center	-	9,259
Burgundy Village Community Center	-	29
Forest Integrated Pest Management Program	-	1,691
E-911	-	50,494
Refuse Collection and Recycling Operations	-	44,723
Refuse Disposal	-	49,380
Energy Resource Recovery Facility	-	1,808
I-95 Refuse Disposal	-	12,703
Alcohol Safety Action Program	-	5,508
Community Development Block Grant	-	58,778
HOME Investment Partnership Grant	-	657,656
Enterprise Fund - Integrated Sewer System	-	126,192
Internal Service Funds:		
Central Stores	-	482,311
Vehicle Services	-	95,625
Self Insurance	-	3,953
Document Services	-	5,778
Technology Infrastructure Services	-	24,717
Health Benefits	220,801	-
Retiree Health Benefits	-	547
Fiduciary Fund - Employees' Retirement System	-	47,342
Total Primary Government	4,690,528	4,690,528
Component Units:		
Public Schools:		
General Fund	2,300,000	580,018
Special Revenue Fund - Grants and Self Supporting Programs	-	325,774
Internal Service Funds:		
Central Procurement	475,774	2,300,000
Health Benefits	430,018	-
Total Public Schools Funds	3,205,792	3,205,792
FCRHA - Enterprise Funds:		
Public Housing	-	2,994
Revolving Development	31,969	-
Private Finance	-	10,000
Fairfax County Rental Program	-	18,975
Total FCRHA Funds	31,969	31,969
Total Component Units	3,237,761	3,237,761
Total Reporting Entity	\$ 7,928,289	7,928,289

Due to/from primary government and component units are as follows:

Receivable Entity (Component Units)	Payable Entity (Primary Government)	Amount
EDA	General Fund	\$ 111,278
Park Authority	General Fund	1,077,106
Public Schools	General Fund	182,827
Public Schools	Special Revenue Funds:	
	Federal and State Grants Fund	27,278
	Fairfax Falls-Church Community Service Board	15,409
Park Authority	Capital Projects Fund - County Construction Fund	89,271
Public Schools	General Long-Term Obligations Account Group	8,106,820
	Total	\$ 9,609,989

Receivable Entity (Primary Government)	Payable Entity (Component Unit)	Amount
Special Revenue Fund - Housing Trust Fund	FCRHA	\$ 1,591,703

F. RETIREMENT PLANS

The reporting entity administers the following four separate public employee retirement systems that provide pension benefits for various classes of employees; in addition, professional employees of Public Schools participate in a plan sponsored and administered by the Virginia Retirement System (VRS).

1. Fairfax County Employees' Retirement System

Plan Description

The Fairfax County Employees' Retirement System (ERS) is a cost-sharing multiple-employer defined benefit pension plan which covers only employees of the reporting entity. The plan covers full-time and certain part-time employees of the reporting entity who are not covered by other plans of the reporting entity or the VRS. Information regarding membership in the ERS is disclosed in item 6 of this note.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) attain the age of 65 with five years of creditable service, or (b) attain the age of 50 with age plus years of creditable service being greater than or equal to 80. The normal retirement benefit is calculated using average final compensation (i.e., the highest 78 consecutive two week pay periods or the highest 36 consecutive monthly pay periods) and years (or partial years) of creditable service at date of termination. In addition, if normal retirement occurs before Social Security benefits are scheduled to begin, an additional monthly benefit is paid to retirees. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. The benefit for early retirement is actuarially reduced and payable at early termination.

The ERS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Employees' Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of ERS members are established and may be amended by County ordinances. Members may elect to join Plan A or Plan B. Plan A requires member contributions of 4 percent of compensation up to the Social Security wage base and 5.33 percent of compensation in excess of the wage base. Plan B requires member contributions of 5.33 percent of compensation. The reporting entity is required to contribute at an actuarially determined rate; the fiscal year 2001 rate is 6.29 percent of annual covered payroll.

Annual Pension Cost

For the years ended June 30, 2001, 2000 and 1999, the County's and Public Schools' annual pension costs were equal to their required and actual contributions, as follows:

	Annual Pension Costs for Years Ended June 30		
	2001	2000	1999
Primary Government	\$ 21,993,157	19,912,422	17,839,990
Public Schools	7,967,827	7,221,173	6,303,842
Total	\$ 29,960,984	27,133,595	24,143,832

The required contributions for fiscal year 2001 were determined as part of the July 1, 1999, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include:

- a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, including an inflation component of 4.0 percent;
- b. projected annual salary increases of 4.3 to 5.4 percent, including an inflation component of 4.0 percent; and
- c. post-retirement benefit increases of 3 percent compounded annually.

The actuarial value of ERS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. ERS's excess of assets is being amortized as a level percentage of projected payroll on a rolling fifteen-year weighted-average basis. On a weighted-average basis, the remaining amortization period, which is closed, as of July 1, 2000, is 9.07 years.

Concentrations

The ERS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

2. Fairfax County Police Officers Retirement System

Plan Description

The Fairfax County Police Officers Retirement System (PORS) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The plan covers County police officers who are not covered by other plans of the reporting entity or the VRS and former Park Police officers who elected to transfer to the PORS from the Uniformed Retirement System effective January 22, 1983. Information regarding membership in the PORS is disclosed in item 6 of this note.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement, an individual must meet the following criteria: (a) if employed before July 1, 1981; attained the age of 55 or completed 20 years of creditable service, or (b) if employed on or after July 1, 1981; attained the age of 55 or completed 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. To be eligible for early retirement, the employee must have 20 years of creditable service (does not apply if hired before July 1, 1981). Benefits are determined based on the normal retirement benefit calculated using average final compensation and creditable service at early retirement actuarially reduced.

The PORS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Police Officers Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of PORS members are established and may be amended by County ordinances. Member contributions are based on 12 percent of compensation. The County is required to contribute at an actuarially determined rate; the fiscal year 2001 rate is 25.69 percent of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2001, the County's annual pension cost of \$17,149,427 was equal to its required and actual contributions. The required contribution was determined as part of the July 1, 1999, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include:

- a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually including an inflation component of 4.0 percent;

- b. projected annual salary increases of 4.5 to 8.0 percent, including an inflation component of 4.0 percent; and
- c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of the PORS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. PORS's excess of assets is being amortized as a level percentage of projected payroll on a thirty-year basis. On a weighted-average basis, the remaining amortization period, which is closed, at July 1, 2000, is 7.62 years.

Concentrations

The PORS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

3. Fairfax County Uniformed Retirement System

Plan Description

The Fairfax County Uniformed Retirement System (URS) is a single-employer defined benefit pension plan. The plan covers uniformed employees including non-clerical employees of the Fire and Rescue Department and Office of Sheriff, Park Police, Helicopter Pilots, Animal Wardens and Game Wardens who are not covered by other plans of the reporting entity or the VRS. Information regarding membership in the URS is disclosed in item 6 of this note.

Benefit provisions are established and may be amended by County ordinances. All benefits vest at five years of creditable service. To be eligible for normal retirement an individual must meet the following criteria: (a) attain the age of 55 with six years of creditable service, or (b) complete 25 years of creditable service. The normal retirement benefit is calculated using average final compensation and years (or partial years) of creditable service at date of termination. Annual cost-of-living adjustments are provided to retirees and beneficiaries equal to the lesser of 4 percent or the percentage increase in the Consumer Price Index for the Washington Consumer Metropolitan Service Area. The plan provides that unused sick leave credit may be used in the calculation of average final compensation by projecting the final salary during the unused sick leave period. To be eligible for early retirement employees must have 20 years of creditable service. The benefit for early retirement is actuarially reduced and payable at early termination.

The URS issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Uniformed Retirement System, 10680 Main Street, Suite 280, Fairfax, VA 22030 or by calling (703) 279-8200.

Funding Policy

The contribution requirements of URS members are established and may be amended by County ordinances. Plan A members were given the opportunity to enroll in Plan B as of

July 1, 1981 and to enroll in Plan C as of April 1, 1997. From July 1, 1981 through March 31, 1997, all new hires were enrolled in Plan B. Plan B members were given the opportunity to enroll in Plan D as of April 1, 1997. From April 1, 1997 forward all new hires are enrolled in Plan D. Plan A requires member contributions of 4 percent of compensation up to the Social Security wage base and 5.75 percent of compensation in excess of the wage base. Plan B requires member contributions of 7.08 percent of compensation up to the Social Security wage base and 8.83 percent of compensation in excess of the wage base. Plan C requires member contributions of 4 percent of compensation. Plan D requires contributions of 7.08 percent of compensation. The County is required to contribute at an actuarially determined rate; the fiscal year 2001 rate is 18.75 percent of annual covered payroll.

Annual Pension Cost

For the year ended June 30, 2001, the County's annual pension cost of \$18,818,351 was equal to its required and actual contributions. The required contribution was determined as part of the July 1, 1999, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include:

- a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually including an inflation component of 4.0 percent;
- b. projected annual salary increases of 4.1 to 6.1 percent, including an inflation component of 4.0 percent; and
- c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of URS's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. URS's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a rolling fifteen-year basis. The weighted average remaining amortization period, which is closed, at July 1, 2000, is undefined.

Concentrations

The URS does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets held in trust for pension benefits.

4. Educational Employees' Supplementary Retirement System of Fairfax County

Plan Description

The Educational Employees' Supplementary Retirement System of Fairfax County (ERFC) is a legally separate single-employer defined benefit pension plan established under the Code of Virginia. The ERFC covers all full-time educational and civil service employees who are employed by the Public Schools and who are not covered by other plans of the reporting entity.

ERFC provides retirement, disability, and death benefits to plan members and their beneficiaries. Annual post-retirement increases of 3 percent are effective each March 31. This plan supplements the Virginia Retirement System plan. Benefit provisions are established and may be amended by the Fairfax County Public School Board. All benefits vest after five years of creditable service. The benefit structure is designed to provide a level retirement benefit through a combined ERFC/VRS benefit structure. Member contributions are made through an arrangement which results in a deferral of taxes on the contributions. Further analysis of member contributions may be found in Article III of the ERFC Plan Document. The ERFC is divided into 12 types of benefit payments. Minimum eligibility conditions for receipt of full benefits range from members attaining the age of 55 with 25 years of creditable service to completing five years of creditable service prior to age 65. A description of each of the 12 types of benefits payments is contained in the actuarial valuation at June 30, 2000. Total plan membership for ERFC is disclosed in item 6 of this note.

The ERFC issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Educational Employees' Supplementary Retirement System, 8001 Forbes Place, Springfield, VA 22151.

Funding Policy

The contribution requirements of ERFC members are established and may be amended by the ERFC Board of Trustees. All members are required to contribute 2 percent of their covered salaries. The employer is required to contribute at an actuarially determined rate. Separate employer contribution rates are determined for educational and civil service employees. For fiscal year 2001, the Public Schools is required to contribute 3.89 percent of annual covered payroll for educational employees and 3.53 percent of annual covered payroll for civil service employees.

Annual Pension Cost

For the year ended June 30, 2001, the Public Schools' annual pension cost of \$29,145,883 was equal to its required and actual contributions. The required contribution was determined as part of the June 30, 2000, actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include:

- a. a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, including an inflation component of 4.0 percent;
- b. projected annual salary increases of 4.0 to 8.2 percent, including an inflation component of 4.0 percent; and
- c. post-retirement benefit increases of 3.0 percent compounded annually.

The actuarial value of the ERFC's assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. ERFC's excess of assets is being amortized as a level percentage of projected

payroll over a period of future years, which has never exceeded 30 years. The remaining amortization period, which is closed, at June 30, 2000, was 30 years.

Concentrations

The ERFC does not have investments (other than U.S. Government and U.S. Government guaranteed obligations) in any one organization that represent 5 percent or more of net assets available for benefits.

5. Virginia Retirement System

Plan Description

The Public Schools contributes to the Virginia Retirement System (VRS) on behalf of covered professional Public Schools employees. VRS is a cost-sharing multiple-employer public employee defined benefit pension plan administered by the Commonwealth of Virginia for its political subdivisions. All full-time, salaried permanent employees of participating employers must participate in the VRS.

In accordance with the requirements established by State statute, the VRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The VRS issues a publicly available annual report that includes financial statements and required supplementary information for the VRS; this report can be obtained by writing the Virginia Retirement System, P.O. Box 2500, Richmond, VA 23218-2500.

Funding Policy

Plan members are required by State statute to contribute 5 percent of their annual covered salary to the VRS. If a plan member leaves covered employment, the accumulated contributions plus interest earned may be refunded. In accordance with State statute, the Public Schools is required to contribute at an actuarially determined rate. The rate for fiscal year 2001 was 9.04 percent of annual covered payroll. State statute may be amended only by the Commonwealth of Virginia Legislature. The Public Schools' contributions to the VRS for the years ended June 30, 2001, 2000 and 1999 were \$60,201,616, \$73,823,688, and \$56,215,333, respectively, equal to the required contributions for each year.

6. Current Plan Membership

At July 1, 2000, the date of the latest actuarial valuations, membership in the reporting entity's plans consisted of:

	Primary Government			Component Unit/ Public Schools
	Employees' Retirement System	Police Officers Retirement System	Uniformed Retirement System	Educational Employees' Supplementary Retirement System
Retirees and beneficiaries receiving benefits	3,757	583	589	5,344
Terminated employees entitled to but not yet receiving benefits	435	3	20	1,107
Active employees	13,044	1,115	1,570	15,050
Total number of plan members	17,236	1,701	2,179	21,501

7. Required Supplementary Information

Six-year historical trend information about the retirement systems administered by the reporting entity is presented in the following table as required supplementary information. This information is intended to help users assess each system's funding status on a going concern basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other public employee retirement systems.

SCHEDULE OF FUNDING PROGRESS (Unaudited)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (Funding Excess) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll ((b -a)/c)
Primary Government:						
Employees' Retirement System						
7/01/95	\$ 889,160,271	930,819,185	41,658,914	95.52 %	\$ 348,403,016	11.96 %
7/01/96	1,116,662,361	1,142,455,206	25,792,845	97.74	363,290,025	7.10
7/01/97	1,231,382,638	1,241,813,772	10,431,134	99.16	365,583,822	2.85
7/01/98	1,324,132,857	1,334,468,657	10,335,800	99.23	381,220,936	2.71
7/01/99	1,523,310,967	1,467,043,776	(56,267,191)	103.84	399,732,318	(14.08)
7/01/00	1,694,416,094	1,690,537,763	(3,878,331)	100.23	449,231,705	(0.86)
Police Officers Retirement System						
7/01/95	284,506,069	346,712,876	62,206,807	82.06	45,743,970	135.99
7/01/96	343,288,369	388,917,113	45,628,744	88.27	49,065,647	93.00
7/01/97	399,772,825	414,534,604	14,761,779	96.44	50,307,487	29.34
7/01/98	434,259,212	442,727,265	8,468,053	98.09	51,955,916	16.30
7/01/99	503,649,251	487,951,047	(15,698,204)	103.22	55,081,103	(28.50)
7/01/00	568,941,559	586,938,958	17,997,399	96.93	64,946,049	27.71
Uniformed Retirement System						
7/01/95	307,481,896	335,741,130	28,259,234	91.58	64,457,370	43.84
7/01/96	374,013,792	396,666,197	22,652,405	94.29	69,133,414	32.77
7/01/97	432,367,343	446,505,759	14,138,416	96.83	71,957,919	19.65
7/01/98	487,989,565	491,142,845	3,153,280	99.36	74,685,099	4.22
7/01/99	560,044,161	531,788,754	(28,255,407)	105.31	78,622,337	(35.94)
7/01/00	624,297,885	614,242,665	(10,055,220)	101.64	87,943,499	(11.43)
Component Unit/Public Schools:						
Educational Employees' Supplementary Retirement System						
7/01/95	839,929,723	1,072,535,730	232,606,007	78.31	521,044,021	44.64
7/01/96	934,571,552	1,130,544,241	195,972,689	82.67	531,060,397	36.90
7/01/97	1,045,411,714	1,215,366,514	169,954,800	86.02	553,709,472	30.69
7/01/98	1,194,555,606	1,278,371,622	83,816,016	93.44	582,754,912	14.38
7/01/99	1,365,416,798	1,345,658,583	(19,758,215)	101.47	626,015,364	(3.16)
7/01/00	1,505,230,945	1,367,371,100	(137,859,845)	110.08	678,937,233	(20.31)

Analysis of the dollar amounts of plan net assets, actuarial accrued liability, and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of each system's funding status on a going concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

SCHEDULE OF EMPLOYER CONTRIBUTIONS (1996, Unaudited)									
Fiscal Year Ended June 30	Primary Government						Component Unit/Public Schools		
	Employees' Retirement		Police Officers Retirement		Uniformed Retirement		Educational Employees' Supplementary Retirement		
	Annual Required Contribution*	Percentage Contributed	Annual Required Contribution*	Percentage Contributed	Annual Required Contribution*	Percentage Contributed	Annual Required Contribution*	Percentage Contributed	
1996	\$ 28,663,583	100 %	\$ 10,912,200	100 %	\$ 14,580,237	100 %	\$ 30,087,963	100 %	
1997	29,941,315	100	11,892,690	100	16,111,378	100	35,159,514	100	
1998	30,955,140	100	11,321,194	100	16,565,155	100	36,932,114	100	
1999	24,143,832	100	10,685,734	100	15,645,845	100	38,422,667	100	
2000	27,133,595	100	11,950,073	100	16,489,406	100	35,655,898	100	
2001	29,960,984	100	17,149,427	100	18,818,351	100	29,145,883	100	

* The annual required contribution is equal to the annual pension cost for each fiscal year.

G. RISK MANAGEMENT

The reporting entity is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The County and the Public Schools maintain self-insurance internal service funds for workers' compensation claims and certain property and casualty risks and for health insurance benefits. The County and Public Schools believe that it is more cost effective to manage certain risks internally rather than purchase commercial insurance. The Park Authority, EDA and FCRHA participate in the County's self-insurance funds. Participating funds and agencies are charged "premiums" which are computed based on actual loss experience applied on a retrospective basis. Liabilities are reported in the self-insurance funds when it is probable that losses have occurred and the amounts of the losses can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported to date. Because actual claims liabilities depend on such complex factors as inflation, changes in governing laws and standards, and court awards, the process used in computing claims liabilities is reevaluated periodically to take into consideration the history, frequency and severity of recent claims and other economic and social factors. These liabilities are computed using a combination of actual claims experience and actuarially determined amounts and include any specific, incremental claim adjustment expenses and estimated recoveries.

The claims liabilities in the self-insurance funds are discounted at 5.5 percent at June 30, 2001 and 2000, to reflect anticipated investment income. Changes in the balances of claims liabilities during fiscal years 2001 and 2000 are as follows:

	Internal Service Funds			
	Primary Government		Component Unit/ Public Schools	
	Self- Insurance	Health Benefits	Insurance	Health Benefits Trust
Liability balances, July 1, 1999	\$ 17,442,417	2,882,046	20,697,559	5,715,169
Claims and changes in estimates	3,217,733	27,570,625	468,490	48,371,084
Claims payments	(4,552,873)	(26,995,079)	(2,311,050)	(46,445,559)
Liability balances, July 1, 2000	16,107,277	3,457,592	18,854,999	7,640,694
Claims and changes in estimates	8,854,630	35,100,692	4,483,453	103,027,936
Claims payments	(6,157,349)	(34,366,140)	(4,377,586)	(100,629,497)
Liability balances, July 1, 2001	\$ 18,804,558	4,192,144	18,960,866	10,039,133

In addition to the self-insurance program, commercial property insurance is carried for buildings and contents plus certain large and costly items such as fire apparatus and helicopters. Excess liability and workers' compensation insurance policies are maintained for exposures above a \$750,000 self-insured retention. Settled claims have not exceeded any of these commercial coverages in any of the past three fiscal years.

H. LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term obligations of the reporting entity for the year ended June 30, 2001:

Summary of Long-Term Obligations (000)				
	Balance July 1, 2000	Additions	Reductions	Balance June 30, 2001
Primary Government:				
General Long-Term Obligations Account Group:				
Compensated absences payable	\$ 54,298	3,143	-	57,441
Obligations for claims and judgments	1,287	1,419	1,287	1,419
Due to component units	9,728	-	1,622	8,106
General obligation bonds payable	1,380,267	314,115	252,694	1,441,688
Special assessment debt with governmental commitment	675	-	75	600
Lease revenue bonds payable	114,125	-	3,640	110,485
Obligations under capital leases and installment purchases	23,737	4,078	4,902	22,913
Sanitary landfill closure obligation	41,171	11,692	752	52,111
Total General Long-Term Obligations Account Group	1,625,288	334,447	264,972	1,694,763
Enterprise Fund:				
Sewer revenue bonds, net of unamortized discounts of \$990	168,806	40,000	3,986	204,820
Internal Service Funds:				
Obligations under capital leases and installment purchases	673	-	673	-
Fiduciary Funds:				
Obligations under capital leases and installment purchases	1,403	192	169	1,426
Total Primary Government	1,796,170	374,639	269,800	1,901,009
Component Units:				
Public Schools:				
Compensated absences payable	18,553	2,112	-	20,665
Obligations under capital leases and installment purchases	18,270	13,370	8,984	22,656
Total Public Schools	36,823	15,482	8,984	43,321
FCRHA:				
Compensated absences payable	708	144	-	852
Notes payable	56,165	9,325	5,332	60,158
Public housing loans	2,038	-	116	1,922
Bonds payable	9,465	3,500	220	12,745
Total FCRHA	68,376	12,969	5,668	75,677
Park Authority:				
Compensated absences payable	2,730	381	-	3,111
Revenue note payable	12,750	2,131	-	14,881
Revenue bonds payable	13,030	-	310	12,720
Total Park Authority	28,510	2,512	310	30,712
Economic Development Authority:				
Compensated absences payable	133	-	10	123
Total Component Units	133,842	30,963	14,972	149,833
Total Reporting Entity	\$ 1,930,012	405,602	284,772	2,050,842

1. General Obligation Bonds

General obligation bonds have been issued to provide funding for long-term capital improvements. In addition, they have been issued to refund outstanding general obligation bonds when market conditions enabled the County to achieve significant reductions in its debt service payments. Such bonds are direct obligations of the County, and the full faith and credit of the County are pledged as security. The County is required to submit to public referendum for authority to issue general obligation bonds. At June 30, 2001, the amount of such bonds authorized and unissued is summarized as follows:

Bond Purpose	Amount (000)
School improvements	\$ 262,475
Transportation improvements	83,835
Parks and park facilities	58,150
Commercial and redevelopment area improvements	20,580
Neighborhood improvements	3,345
Human services facilities	1,185
Storm drainage improvements	4,660
Public library facilities	3,850
Adult detention facilities	8,520
Public safety facilities	102,920
Juvenile detention facilities	1,050
Total Authorized but Unissued Bonds	\$ 550,570

The Commonwealth of Virginia does not impose a legal limit on the amount of general obligation indebtedness which the County can incur or have outstanding. The Board of Supervisors, however, has self-imposed bond limits which provide that the County's net debt will not exceed three percent of the total market value of taxable real and personal property in the County. In addition, the annual debt service will not exceed ten percent of the annual combined general fund disbursements. As a financial guideline, the Board of Supervisors also follows a self-imposed limitation in total general obligation bond sales of \$750 million over a five-year period or an average of \$150 million annually, with a maximum of \$175 million in any given year. All self-imposed bond limits have been complied with at June 30, 2001.

On June 28, 2001, the County issued \$261,865,000 of Series 2001A General Obligation Public Improvement and Refunding Bonds dated June 1, 2001, with an average interest rate of 4.58 percent. Of this total, \$139,465,000 were issued to refund \$57,650,000 of outstanding Series 1992C Bonds with an average interest rate of 5.38 percent and \$82,810,000 of outstanding Series 1993A Bonds with an average interest rate of 5.03 percent (collectively, the "Refunded Bonds"). The net proceeds of \$143,654,112 (after the purchase premium of \$4,620,844 and the payment of \$431,732 in underwriting fees and other issuance costs) were used to purchase U.S. Government securities which were deposited in an irrevocable escrow fund to provide for the resources to redeem the Refunded Bonds on August 2, 2001. As a result, the Refunded Bonds are considered to be defeased and the liability for these bonds has been removed from the General Long-Term Obligations Account Group in fiscal year 2001. The County refunded these bonds to reduce its total debt service payments over the next 9 years by \$7,420,161 and to obtain an economic gain (the difference between present values of the debt service payments on the old and new debt) of \$7,657,669.

Detailed information regarding the general obligation bonds outstanding as of June 30, 2001, is contained in Section 5 of this note.

2. Lease Revenue Bonds

In March 1994, the EDA issued \$116,965,000 of lease revenue bonds to finance the County's acquisition of certain land and office buildings adjacent to its main government center. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest on the bonds, the related transactions, including the liability for the bonds, have been recorded in the County's financial statements and not in those of EDA. Neither the bonds nor the related payment responsibility of the County is a general obligation debt of the County, and the full faith and credit of the County is not pledged to the bonds for such payment responsibility.

In October 1996, the FCRHA issued \$6,390,000 of lease revenue bonds to finance the construction/renovation of two community center buildings. In December 1998, the FCRHA issued \$5,500,000 of lease revenue bonds to finance the renovation and expansion of a third community center building. Also, in May 1999, the FCRHA issued \$1,000,000 of lease revenue bonds to finance the construction of an adult day health care center to serve County residents. As the County is responsible, under the related documents and subject to annual appropriation, to make payments to a trustee sufficient to pay principal and interest of these bonds, the related transactions, including the liability for these bonds, have been recorded in the County's financial statements and not in those of the FCRHA. Neither these bonds nor the related payment responsibility of the County is a general obligation debt of the County, and the full faith and credit of the County is not pledged to these bonds for such payment responsibility. Detailed information regarding the lease revenue bonds outstanding as of June 30, 2001, is contained in Section 5 of this note.

3. Special Assessment Bonds

In July 1988, Small District One of the Dranesville District issued \$1.5 million of serial bonds to provide funds for the expansion and renovation of the McLean Community Center. These bonds are general obligations of the respective District, and the Board of Supervisors is obligated, in each year in which any of these bonds shall be outstanding, to levy and collect an ad valorem tax on all real property in each District subject to taxation to provide funds for the payment of debt service on the bonds. However, these bonds are not general obligations of the County, and the full faith and credit of the County are not pledged as security for any of these bonds. Detailed information regarding the special assessment bonds outstanding as of June 30, 2001, is contained in Section 5 of this note.

4. Sewer Revenue Bonds

In August 1986, the Integrated Sewer System (System) issued \$75,000,000 of variable rate sewer revenue bonds. The proceeds of the bonds were used primarily to fund the expansion of the Noman Cole Pollution Control Plant and the System's share of the expansion of the District of Columbia's Blue Plains Wastewater Treatment Plant.

In May 1993, the System issued of \$72,100,000 of Series 1993 Sewer Revenue Refunding Bonds, with an average interest rate of 5.39 percent, to advance refund \$64,500,000 of Series 1986 Sewer Revenue Bonds. The Series 1993 Refunding Bonds consists of \$41,220,000 of serial bonds bearing an average interest rate of 4.86 percent, \$22,395,000 of 5.5 percent term bonds due November 15, 2013, and \$8,485,000 of 5.65 percent term bonds due November 15, 2015. The term bonds are subject to mandatory sinking fund redemption in varying amounts over fiscal years 2011 through 2016.

In July 1996, the System issued \$104,000,000 of sewer revenue bonds with an average interest rate of 5.8 percent to fund plant expansion of the wastewater treatment facilities at the County's Noman Cole Pollution Control Plant and other system improvements. These Series 1996 bonds consist of \$29,860,000 of serial bonds bearing an interest rate of 5.625 percent, \$13,725,000 of 5.7 percent term bonds due July 15, 2017, \$22,555,000 of 5.8 percent term bonds due July 15, 2022 and \$37,860,000 of 5.875 percent term bonds due July 15, 2028. The \$74,140,000 of term bonds are subject to mandatory sinking redemption in varying amounts over fiscal years 2014 through 2028.

In June 2001, the System issued a 20-year subordinated sewer revenue bond in the amount of \$40,000,000 to the Virginia Water Facilities Revolving Fund, acting by and through the Virginia Resources Authority. The proceeds have been used to finance a portion of the System's share of incurred expansion and upgrade costs of the Alexandria Sanitation Authority's wastewater treatment facilities, which provide service to certain County residents. The bond bears an interest rate of 4.1 percent per annum and requires semi-annual debt service payments of \$1,499,642. The bond is subordinated to all outstanding prior bond issues of the System and payments for operation and maintenance expenses.

The aforementioned sewer revenue bonds were issued in accordance with the General Bond Resolution adopted by the Board of Supervisors on July 29, 1985, and are payable from and secured by the net revenue generated through the System's operations. Accordingly, the Master Bond Resolution includes a rate covenant under which the System agreed that it will charge reasonable rates for the use of and services rendered by the System. Furthermore, the System will adjust the rates from time to time to generate net revenues sufficient to provide an amount equal to 100 percent of its annual principal and interest requirements and the System's annual commitments to fund its proportionate share of other jurisdictions' debt service requirements. In addition, payment of the principal and the interest on all bonds is insured by municipal bond insurance policies.

Additional information regarding the \$205,810,000 of sewer revenue bonds outstanding as of June 30, 2001, is contained in Section 5 of this note.

5. County Bonds Payable and Related Interest to Maturity

The County's outstanding general obligation, special assessment, lease revenue and sewer revenue bonds, loans payable and the related interest to maturities as of June 30, 2001, are comprised of the following issues:

Series	Interest Rate	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding June 30 (000)	Interest Payable to Maturity June 30 (000)	Total Principal Outstanding & Interest Payable to Maturity (000)
General Obligation Bonds:								
General County:								
Series 1992B Refunding	5.40-6.00%	06-15-92	05-01-08	\$ 120-3,700	56,820	12,259	2,639	14,898
Series 1992C Refunding	5.20-5.30	12-15-92	10-01-02	6,582-9,294	85,820	15,129	867	15,996
Series 1993A Refunding	4.80-4.90	04-01-93	06-01-03	10,483-22,155	113,053	22,601	1,580	24,181
Series 1993B Public Improvement	5.00-6.00	05-15-93	06-01-05	3250	65,000	13,000	1,625	14,625
Series 1993C Refunding	4.60-5.40	07-15-93	05-01-12	7,725-9,345	128,635	84,165	25,123	109,288
Series 1994A Public Improvement	5.00-7.25	05-15-94	06-01-05	4,080	81,600	16,320	2,122	18,442
Series 1995A Public Improvement	4.88-7.00	05-15-95	06-01-15	1,847-1,849	36,960	25,860	10,381	36,241
Series 1996A Public Improvement	4.75-5.50	05-15-96	06-01-16	2,510-2,512	50,250	37,682	16,092	53,774
Series 1997A Public Improvement	5.00-6.00	05-15-97	06-01-17	3,450	69,000	55,200	24,310	79,510
Series 1998A Public Improvement	4.25-5.00	05-15-98	06-01-18	2,436	48,710	41,403	18,394	59,797
Series 1999A Public Improvement	4.00-5.00	04-01-99	06-01-19	2,710	54,200	48,780	21,507	70,287
Refunding	4.00-5.00	04-01-99	06-01-14	1,267-8,379	76,043	71,797	26,363	98,160
Series 1999B Public Improvement	4.50-5.50	12-01-99	12-01-19	180	3,600	3,420	1,756	5,176
Series 2000A Public Improvement	5.00-5.50	04-01-00	06-01-20	1,900	38,000	36,100	18,780	54,880
Series 2000B Public Improvement	4.25-5.75	12-01-00	12-01-20	110-115	2,250	2,250	1,088	3,338
Series 2001A Public Improvement	4.00-5.00	06-01-01	06-01-21	2,120	42,400	42,400	20,646	63,046
Refunding	4.00-5.00	06-01-01	06-01-10	310-17,009	82,238	82,238	19,246	101,484
Total General Obligation Bonds- County					1,034,579	610,604	212,519	823,123
Schools:								
Series 1992B Refunding	5.40-6.00	06-15-92	05-01-08	1,309-2,336	59,140	12,731	2,740	15,471
Series 1992C Refunding	5.00-5.75	12-15-92	10-01-02	1,771-5,546	51,205	10,221	586	10,807
Series 1993A Refunding	4.70-5.38	04-01-93	06-01-03	2,765-9,818	89,987	16,839	1,177	18,016
Series 1993B Public Improvement	5.00-5.20	05-15-93	06-01-05	1,900	38,000	7,600	950	8,550
Series 1993C Refunding	4.50-5.40	07-15-93	05-01-12	3,715-8,075	124,410	81,400	24,296	105,696
Series 1994A Public Improvement	5.00-7.25	05-15-94	06-01-05	3,825	76,500	15,300	1,989	17,289
Series 1995A Public Improvement	4.88-7.00	05-15-95	06-01-15	3,149-3,152	63,000	44,100	17,707	61,807
Series 1996A Public Improvement	4.75-5.50	05-15-96	06-01-16	3,194-3,196	63,900	47,918	20,463	68,381
Series 1997A Public Improvement	5.00-6.00	05-15-97	06-01-17	3,750	75,000	60,000	26,423	86,423
Series 1997B Public Improvement	4.50-5.00	12-01-97	12-01-17	3,000	60,000	51,000	21,308	72,308
Series 1998A Public Improvement	4.25-5.00	05-15-98	06-01-18	1,365	27,290	23,197	10,305	33,502
Series 1999A Public Improvement	4.00-5.00	04-01-99	06-01-19	5,000	100,000	90,000	39,681	129,681
Refunding	4.00-5.00	04-01-99	06-01-14	1,053-6,961	63,172	59,643	21,900	81,543
Series 1999B Public Improvement	4.50-5.50	12-01-99	12-01-19	4,000	80,000	76,000	39,022	115,022
Series 2000A Public Improvement	5.00-5.50	04-01-00	06-01-20	2,500	50,000	47,500	24,711	72,211
Series 2000B Public Improvement	4.25-5.75	12-01-00	12-01-20	2,500	50,000	50,000	24,457	74,457
Series 2001A Public Improvement	4.00-5.00	06-01-01	06-01-21	4,000	80,000	80,000	38,955	118,955
Refunding	4.00-5.00	06-01-01	06-01-10	215-11,836	57,227	57,227	13,393	70,620
Total General Obligation Bonds- Schools					1,208,831	830,676	330,063	1,160,739
State Literary Fund Loans - Schools:								
Terra Centre Elementary	3.00	01-01-83	01-01-03	18	350	35	2	37
Science Lab #1	3.24	04-01-86	04-01-06	64	1,274	319	31	350
Science Lab #2	5.00	10-01-87	10-01-08	8	148	54	11	65
Total State Literary Fund Loans - Schools					1,772	408	44	452
Total General Obligation Bonds and Loans - Schools					1,210,603	831,084	330,107	1,161,191
Total General Obligation Bonds and Loans					\$ 2,245,182	1,441,688	542,626	1,984,314

Notes to the Financial Statements

Series	Interest Rate	Issue Date	Final Maturity Date	Annual Principal Payments (000)	Original Issue (000)	Principal Outstanding June 30 (000)	Interest Payable to Maturity June 30 (000)	Principal Outstanding & Interest Payable to Maturity (000)
Revenue Bonds:								
EDA Lease Revenue Bonds - Series 1994	5.00-5.50%	03-01-94	11-15-19	\$ 3,225-8,550	116,965	99,095	58,854	157,949
FCRHA Lease Revenue Bonds:								
Series 1996	4.85-5.55	09-15-96	06-01-17	210-505	6,390	5,570	2,934	8,504
Series 1998	3.50-4.85	12-01-98	06-01-18	190-390	5,500	4,820	2,199	7,019
Series 1999	4.30-5.38	05-27-99	05-01-29	15-65	1,000	1,000	938	1,938
Total Lease Revenue Bonds					129,855	110,485	64,925	175,410
Integrated Sewer System:								
Series 1993 Refunding	4.55-5.55	05-15-93	11-15-15	2,715-6,505	72,100	64,405	29,105	93,510
Series 1996	5.63-5.88	07-01-96	07-15-28	1,420-7,300	104,000	101,405	104,718	206,123
Series 2001 Subordinated	4.10	06-01-01	02-01-21	680-2,910	40,000	40,000	18,645	58,645
Total Sewer Revenue Bonds					216,100	205,810	152,468	358,278
Special Assessment Bonds - Small District								
One of the Dranesville District (McLean Community Center)	6.75-7.40	07-01-88	07-01-09	75	1,500	600	176	776
Total County Bond and Loan Indebtedness				\$	2,592,637	1,758,583	760,195	2,518,778

Principal and interest to maturity (in thousands) for the County's general obligation bonds, lease revenue bonds, special assessment bonds, and sewer revenue bonds outstanding at June 30, 2001, are as follows:

Fiscal Year	General Long-Term Obligations Account Group						Enterprise Fund			
	General Obligation Bonds and Loans		Lease Revenue Bonds		Special Assessment Bonds		Sewer Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2002	\$ 120,544	70,543	3,835	5,954	75	41	4,820	10,182	129,274	86,720
2003	119,784	64,423	4,030	5,762	75	36	5,936	10,581	129,825	80,802
2004	113,431	58,878	4,240	5,556	75	30	6,394	10,279	124,140	74,743
2005	112,541	53,375	4,450	5,335	75	25	6,555	9,957	123,621	68,692
2006	108,616	47,892	4,690	5,099	75	19	7,023	9,616	120,404	62,626
2007-2011	459,581	164,527	27,535	21,413	225	25	42,449	41,967	529,790	227,932
2012-2016	285,290	69,271	35,880	13,057	-	-	51,503	29,224	372,673	111,552
2017-2021	121,901	13,717	25,385	2,636	-	-	33,420	18,569	180,706	34,922
2022-2026	-	-	255	92	-	-	27,065	10,225	27,320	10,317
2027-2031	-	-	185	21	-	-	20,645	1,868	20,830	1,889
	\$ 1,441,688	542,626	110,485	64,925	600	176	205,810	152,468	1,758,583	760,195

6. Park Authority Bonds and Note Payable

In February 1995, the Park Authority issued \$13,870,000 of Park Facilities Revenue Bonds, Series 1995 to fund the construction of additional golf facilities for County residents and patrons. These bonds are solely the obligations of the Park Authority and are payable from the Park Revenue Fund's revenues from operations, interest from investments, and certain fund balance reserves. The annual debt service requirements for these bonds are:

Fiscal year	Interest Rate		Principal (000)	Interest (000)	Total (000)
2002	6.10 %	\$	330,000	833,696	1,163,696
2003	6.13		350,000	813,896	1,163,896
2004	6.20		370,000	792,546	1,162,546
2005	6.25		395,000	769,884	1,164,884
2006	6.63		420,000	745,394	1,165,394
2007-2011	6.63		2,540,000	3,280,702	5,820,702
2012-2016	6.63		3,495,000	2,321,070	5,816,070
2017-2021	6.63		4,820,000	998,720	5,818,720
Totals		\$	12,720,000	10,555,908	23,275,908

In September 2001, the Park Authority issued \$13,015,000 of Park Facilities Revenue Refunding Bonds, Series 2001 to advance refund all of the outstanding Series 1995 Bonds.

On March 30, 2000 and May 24, 2001, the Park Authority issued subordinated park facilities revenue notes in the amounts of \$12,750,000 and \$2,131,000, respectively, bearing interest at the rates of 6.825 and 3.87 percent per annum, respectively, and which mature on July 31, 2001 and August 27, 2001, respectively, to finance the acquisition of certain real properties for use as parkland. Included in these notes was an option to renew if the County elected to fund the interest due on the notes at the maturity dates. The County agreed to fund the interest due, and the Park Authority issued renewal notes on July 31, 2001 and August 27, 2001, for \$13,912,667 and \$2,152,305, and at interest rates of 3.81 percent and 3.625 percent, respectively. The principal amounts of the renewal notes, which mature on July 31, 2002, represent the par amounts of the maturing notes plus accrued interest. The County has agreed to provide the Park Authority with the funds needed to meet the principal and interest payment obligations of these notes.

7. FCRHA Bonds, Notes, and Loans Payable

In June 1989, the FCRHA issued \$6,120,000 of 8.95 percent Elderly Bonds, Series 1989A. On August 29, 1996, on behalf of the Little River Glen project, the FCRHA issued FHA insured mortgage revenue bonds with an original principal amount of \$6,340,000 and interest rates which vary between 4.65 and 6.10 percent with final payment due September 1, 2026, to redeem, through advance refunding, the Elderly Bonds. The land, buildings, and equipment of the project were pledged as security for the new bonds. The proceeds from the new bonds along with other cash sources, totaling approximately \$6,500,000, were placed in irrevocable escrow accounts to provide for all the future debt service payments and to provide the funds required to redeem the Series 1989A Bonds on June 1, 1999. At June 30, 2001, \$5,970,000 was outstanding on the new bonds.

In November 1, 1992, the FCRHA issued \$3,910,000 of special limited obligation bonds, carrying a coupon interest rate of 7.5 percent, payable semi-annually and maturing June 15, 2018. The proceeds of the bonds were used to finance the purchase of the FCRHA's Pender Drive office building. In June 1998, the FCRHA issued Series 1998 Lease Revenue bonds with an original principal amount of \$3,630,000 and an interest rate of 4.71 percent with final payment due June 15, 2018 to advance refund the outstanding special limited obligation bonds. The new bonds are secured by the FCRHA's interest in

payments under the lease agreements between FCRHA and the County whereby the FCRHA leases its Pender Drive Office building to the County and a first deed of trust on the office building. Proceeds from the new bonds along with other cash sources, totaling approximately \$4,000,000, were placed in irrevocable escrow accounts to provide for all future debt service payments on the old bonds, which will be redeemed on June 15, 2018. At June 30, 2001, \$3,275,000 were outstanding on the new bonds. These bonds are not obligations of the County.

In May 1999, the FCRHA issued three Multifamily Housing Revenue Bonds in the principal amounts of \$1,500,000, \$225,000 and \$1,775,000, bearing interest at the rates of 4 percent, 4.875 percent and 5.5 percent, and having final payment dates of November 1, 2002, May 1, 2009 and May 1, 2029, respectively. The proceeds of these bonds were placed in irrevocable escrow accounts to provide a loan to the Herndon Harbor II Limited Partnership to finance a portion of the costs for the acquisition, construction and equipping of the Herndon Harbor rental property, which is pledged as security for the bonds. At June 30, 2001, the total principal amount of \$3,500,000 was outstanding on these bonds.

To permanently finance certain public housing projects, the FCRHA issued notes to the Federal Financing Bank. These notes are payable in annual installments each November 1, until maturity in 2015 with interest at 6.6 percent; they are secured by the projects' land, buildings and equipment. Principal and interest is paid annually by HUD under the Annual Contributions Contract. As of June 30, 2001, \$1,452,314 was outstanding on the notes.

To permanently finance the Rosedale Manor public housing project, the FCRHA issued public housing bonds in the original principal amount of \$1,260,000 with interest at 5 percent maturing April 1, 2009. Principal and interest is paid semi-annually by HUD under the Annual Contributions Contract. As of June 30, 2001, \$470,000 was outstanding on the bonds.

The FCRHA has also issued various notes to finance its operations. These notes payable are detailed in the chart on the next page. The FCRHA's annual required principal payments on the bonds, loans and notes payable are as follows:

Year ending June 30	Bonds Payable	Public Housing Loans	Notes Payable	Total
2002	\$ 200,000	119,473	4,283,795	4,603,268
2003	1,745,000	124,057	2,751,812	4,620,869
2004	255,000	133,945	1,665,813	2,054,758
2005	285,000	143,933	1,819,984	2,248,917
2006	300,000	147,326	2,120,018	2,567,344
2007 and thereafter	9,960,000	1,253,580	18,588,092	29,801,672
Total FCRHA Primary Government	12,745,000	1,922,314	31,229,514	45,896,828
FCRHA Discretely Presented Component Units	-	-	28,927,901	28,927,901
Total FCRHA Reporting Entity	\$ 12,745,000	1,922,314	60,157,415	74,824,729

FCRHA Public Housing bonds, notes, and loans payable as of June 30, 2001:

Description	Secured By	Interest Rate	Final Maturity Date	Principal Outstanding June 30 (000)
Housing Bonds Payable:				
Mortgage Revenue Bonds	Little River Glen rental property	4.65-6.10 %	09-01-26	\$ 5,970
Lease Revenue Bonds	FCRHA revenues	4.71	06-15-18	3,275
Multifamily Revenue Bonds	Herndon Harbor II Limited Partnership	4.00-4.875	05-01-29	3500
Total Bonds Payable - FCRHA				<u>\$ 12,745</u>
Notes Payable:				
United Bank	One University Plaza office building	5.75 %	01-31-04	\$ 311
SunTrust Bank	Island Walk rental property	12.00	01-31-02	31
	United Community Ministries	4.71	04-01-13	344
	Creighton Square	7.10	07-01-12	495
	Leland Road Group Home Property	5.55	04-01-17	578
Bank of America	Cholster Town, McLean Hills and			
	Springfield Green rental properties	8.50	04-01-05	882
U.S. Dept. of Housing and Urban Development (HUD)	Hopkins Glen rental property	3.00	04-01-10	379
	Various FCRHA rental properties	6.45-9.15	varies	3,125
	Various FCRHA rental properties	5.36-7.66	varies	250
	Stonegate Village rental property	8.00-9.25	varies	845
	Various FCRHA rental properties	3.73-7.90	varies	1,860
	Various FCRHA rental properties	4.75-7.18	varies	2,605
	Various FCRHA rental properties	5.36-7.66	varies	55
	Various FCRHA rental properties	5.36-7.66	varies	375
	Cedar Ridge rental property	1.00	varies	1,318
	Various FCRHA rental properties -	90% of 30	08-01-17	215
	Section 108 interim financing	day LIBOR		
Sue Wright/Norma Whitaker	Hopkins Glen rental property	6.50	07-12-01	462
Virginia Housing Development Authority	Minerva Fisher-Hall Group			
	Home property	8.07	06-01-19	348
	Penderbrook rental property	10.25	10-01-18	671
	Rolling Road Group Home property	8.00	09-01-20	229
	Patrick Street Group Home property	8.00	06-01-02	243
	Mount Vernon Group Home property	8.00	04-01-02	219
	West Ox Group Home property	8.00	11-01-02	757
	First Stop Group Home property	8.00	03-01-05	423
Various note holders within the Home Improvement Loan Program	Various properties owned by note holders	9.00-12.50	varies	65
First Union Bank	Various properties-interim financing	90% of 30 day LIBOR	02-13-02	1,985
Midland Loan Services	Cedar Ridge rental property	7.05	07-01-35	9,791
Fairfax County Board of Supervisors	Unsecured Bond Anticipation Note	6.13	05/17/02	200
	Unsecured Bond Anticipation Note	5.38	01/03/03	500
WMF Huntoon Paige	Cedar Ridge rental property	7.05	09-01-10	988
Federal Financing Bank	Unsecured	6.60	11-01-12	680
Total Notes Payable - FCRHA				<u>\$ 31,229</u>
Public Housing Loans Payable:				
Public Housing Notes-Federal Financing Bank	The projects' land, buildings, and equipment	6.60 %	11-01-15	\$ 1,452
Public Housing Bonds	Declaration of Trust	5.00	04-01-09	470
Total Public Housing Loans Payable - FCRHA				<u>\$ 1,922</u>

8. Conduit Debt Obligations

The FCRHA is empowered by the Commonwealth of Virginia to issue tax-exempt bonds on behalf of qualified businesses to develop or rehabilitate low income housing within the County. Principal and interest on the tax-exempt bonds are paid entirely by the owners of the properties, which have entered into binding contracts to develop or rehabilitate the subject properties. The terms of the tax-exempt bonds stipulate that neither the FCRHA nor the County guarantee the repayment of principal and interest to the bondholders. A bondholder's sole recourse in the event of default on the tax-exempt bonds is to the subject property and third-party beneficiaries. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2001, approximately \$174 million of such tax-exempt bonds are outstanding.

The EDA is empowered by the Commonwealth of Virginia to issue Industrial Revenue Bonds (IRBs) on behalf of businesses relocating and/or expanding their operations within the County. Principal and interest on the IRBs are paid entirely by the businesses. The terms of the IRBs stipulate that neither the EDA nor the County guarantees the repayment of principal and interest to the bondholders. Accordingly, these bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2001, the principal amounts outstanding on these IRBs total approximately \$560 million.

9. Defeasance of Debt

In fiscal year 2001 and in prior years, the County defeased certain general obligation bonds by placing the proceeds of newly issued general obligation refunding bonds in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2001, \$211,605,000 of outstanding general obligation bonds are considered defeased.

In prior years, the System defeased certain sewer revenue bonds by placing the proceeds of new bonds in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2001, \$200,000 of sewer revenue bonds outstanding are considered defeased.

In prior years, the FCRHA defeased certain general and limited obligation bonds by placing them in irrevocable escrow funds to provide for all future debt service payments on the old bonds. Accordingly, the escrow fund assets and the liabilities for the defeased bonds are not included in the County's financial statements. As of June 30, 2001, \$3,485,000 of outstanding general and limited obligation bonds are considered defeased.

10. Sanitary Landfill Closure Obligation

State and federal laws require the County to place a final cover on its I-95 Sanitary Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. The existing raw waste and ash disposal units are filled to capacity; as of June 30, 2001, closure expenditures have been incurred

for approximately 55 percent of the area involved. A new ash disposal unit is under construction. The ash disposal units meet or exceed all EPA Subtitle D requirements for waste disposal. The County holds permits which allow it to continue using the landfill until approximately 2020. The \$52,110,000 reported as the landfill closure and postclosure care obligation in the General Long-Term Obligations Account Group at June 30, 2001, represents the total estimated cost remaining to be incurred based on landfill capacity used to date. The actual cost may vary due to inflation, changes in technology, or changes in regulations. The closure and postclosure care costs for the new ash disposal unit have not been determined since no waste has been accepted into this unit as of June 30, 2001. Although it is expected that the landfill closure and postclosure care costs will be funded from landfill tipping fees, if closure and postclosure care costs exceed available resources in the I-95 Refuse Disposal Fund, funding may be sought from other participants who used the landfill, such as Washington D.C., Arlington County, and the City of Alexandria County; the amounts which might be obtained from these jurisdictions have not been determined.

11. Obligations Under Capital Lease and Installment Purchase Agreements

The reporting entity has certain fixed assets (primarily equipment) under capital leases and installment purchase agreements in the general fixed assets account groups and in the Northern Virginia Regional Identification System Fund, an agency fund of the County. As of June 30, 2001, the minimum obligations under these agreements were as follows:

Fiscal Year	Primary Government		Component Unit/ Public Schools
	General Long-Term Obligations Account Group	Agency Fund	General Long-Term Obligations Account Group
2002	\$ 6,736,392	279,474	8,601,634
2003	6,091,587	279,474	7,701,760
2004	4,851,743	279,474	5,757,763
2005	3,308,074	279,474	2,724,434
2006	3,307,739	279,474	-
Thereafter	2,583,909	311,892	-
Total minimum obligations	26,879,444	1,709,262	24,785,591
Less portion representing interest	3,965,881	283,569	2,129,160
Present value of minimum obligations	\$ 22,913,563	1,425,693	22,656,431

Also, the County has entered into a capital lease agreement with a private developer to finance the construction of a 135,000 net usable square foot office facility, costing approximately \$29,000,000, to facilitate the provision of services to residents in the southeastern area of the County. Occupancy is scheduled to occur during fiscal year 2002. The County is obligated to make annual payments of approximately \$2,000,000 for a period of thirty years commencing in fiscal year 2003.

12. Due to Component Unit

The County has a liability of approximately \$8.1 million to the Public Schools that originated in 1983 upon the recognition of teachers' compensation in the year services are rendered rather than over the twelve-month contract period ending in August. The County agreed to fund the original liability of approximately \$46.4 million over a period of years

beginning in fiscal year 1984. Payments to Public Schools were deferred from fiscal years 1990 through 1996. In fiscal year 2001, the County paid the fifth of ten equal annual installments of \$1.62 million which will satisfy the remaining liability.

I. LONG-TERM COMMITMENTS

1. Washington Metropolitan Area Transit Authority (WMATA)

The County's commitments to WMATA are comprised of agreements to make capital contributions for construction of the rail transit system, contributions for replacement and improvement of rail and bus equipment, and payments of operating subsidies and debt service for the rail, bus and paratransit systems. The County's commitments in each of these areas are summarized as follows:

Capital Contributions - Rail Construction

Since 1970, the County and other local jurisdictions have entered into five Interim Capital Contribution Agreements (ICCA) with WMATA to provide local funds to match federal government appropriations to fund the construction of the 103-mile Metrorail Adopted Regional System. The final 13.5 miles of construction was funded through ICCA-V and Public Law 101-551. In approving ICCA-V, the jurisdictions agreed to provide local matching contributions totaling \$780 million over the life of the authorization. The agreement requires the County to provide \$113.2 million in matching funds between fiscal years 1993 and 2002. The County is providing this match through a combination of state aid, state bonds and locally generated funds.

For fiscal year 2001, the County's obligation of approximately \$6.9 million was funded with \$4.5 million of County general obligation bond proceeds and \$2.4 million of transportation funds provided by the Commonwealth of Virginia through the Northern Virginia Transportation Commission (NVTC). The County's total obligations to date of approximately \$233.5 million for Metrorail construction have been funded with \$125.3 million of County general obligation bond proceeds, \$105.1 million of state aid provided to the County through the NVTC and \$3.1 million of credits available at WMATA. As of June 30, 2001, the County is obligated to contribute an additional \$4.7 million toward Metrorail construction. It is anticipated that this obligation will be paid from state aid provided through the NVTC.

Capital Contributions - Bus and Rail Replacement

Each fiscal year, the County makes contributions for capital purchases for WMATA's bus system and to improve the reliability of capital equipment. The County's obligation of approximately \$5.4 million for fiscal year 2001 was funded with \$0.7 million of County general obligation bond proceeds and \$4.7 million of state aid provided through the NVTC. It is anticipated that the County's obligations for fiscal year 2002 will be funded with state aid and County general obligation bond funds.

Operating Subsidies and Debt Service

The County and other local jurisdictions continue to contribute toward WMATA's deficits

resulting from the operation of the Metrorail, Metrobus and MetroAccess (paratransit) systems and the debt service on federally guaranteed transit revenue bonds issued by WMATA. For fiscal year 2001, the County's obligation of approximately \$49.3 million for operating subsidies and debt service was funded with \$13.1 million from the County's Metro Operations and Construction Fund and \$36.2 million from state aid for transportation and regional gasoline tax receipts. It is anticipated that the County's expenditure for fiscal year 2002 will be approximately \$10.1 million.

2. Virginia Railway Express (VRE)

The County, as a member of the NVTC and in cooperation with the Potomac and Rappahannock Transportation Commission (PRTC), is a participating jurisdiction in the operation of the VRE commuter rail service. The service primarily consists of rush hour trips originating from Manassas, Virginia and from Fredericksburg, Virginia to Union Station in Washington DC. There are five stations in Fairfax County.

In October 1989, the Board of Supervisors of Fairfax County approved the Commuter Rail Master Agreement and financial plans. The Master Agreement requires the County to contribute to capital, operating and debt service costs of the VRE on a pro rata basis according to its share of ridership and population. In February 1990, NVTC sold \$79.4 million in bonds to finance passenger cars, locomotives, yard facilities and stations. Approximately \$6 million of the bond proceeds was made available to the County to assist with financing its local stations. The County's fiscal year 2001 contribution to VRE's commuter rail operating, capital and debt service cost was \$2.51 million. Also, the County has been authorized to apply \$5.2 million of general obligation bond proceeds toward the cost of commuter rail facilities within the County; through June 30, 2001, approximately \$3.9 million of this amount has been expended.

3. Operating Lease Commitments

The County leases real estate under various long-term lease agreements. Certain leases contain provisions which allow for increased rentals based upon increased real estate taxes and the Consumer Price Index. All lease obligations are contingent upon the Board of Supervisors appropriating funds for each year's payments. For fiscal year 2001 the County's total expenditures for these operating leases were \$8,176,746.

At June 30, 2001, the minimum long-term real estate lease commitments accounted for as operating leases were as follows:

Fiscal Year	Operating Leases
2002	\$ 8,877,132
2003	7,410,191
2004	6,076,478
2005	4,031,401
2006	3,502,129
Thereafter	9,917,144
Total	\$ 39,814,475

4. Intermunicipal Agreements

Alexandria Sanitation Authority

At June 30, 2001, the Integrated Sewer System (System) was obligated under an agreement with the City of Alexandria, Virginia, Sanitation Authority (ASA) to share the construction and operating costs and debt service requirements for certain sewage treatment facilities. Under this agreement, the City of Alexandria is conducting the expansion and general improvement of the facilities. The System is allowed only one non-voting representative at the meetings of the ASA and has no significant influence in the management of the treatment facilities. In addition, the System has no direct ongoing equity interest in the assets or liabilities of the ASA.

The ASA agreement sets forth a method for allocating the construction costs associated with the ASA's treatment facilities. The System paid the ASA \$55,994,258 in fiscal year 2001 to fund its share of construction costs, and it estimates its share of fiscal year 2002 expansion and improvements to be \$30,514,578. The System made payments to the ASA in 2001 of \$9,182,116 for its share of the ASA's operating costs.

Blue Plains Intermunicipal Agreement

In 1985, the users of the Blue Plains Waste-Water Treatment Plant - Fairfax County, the District of Columbia (District), Montgomery and Prince George's Counties in Maryland, and the Washington Suburban Sanitary Commission (WSSC) - entered into the Blue Plains Intermunicipal Agreement (IMA). The IMA sets forth the method for allocating the capital and operating costs associated with the facility. Currently, the County has a capacity entitlement of 24.69 million gallons per day (MGD) of the plant's interim treatment capacity of 325 MGD. Under the terms of the IMA, the County's capacity entitlement will increase to 31 MGD when the Blue Plains Plant is fully upgraded and expanded to 370 MGD. The County purchased this capacity entitlement through contributions to the capital construction program at the plant.

The District established an independent Water and Sewer Authority (WSA), effective April 18, 1996, to operate its water and sewer systems and the Blue Plains Plant. The WSA has a Board of Directors comprised of six members from the District, two each from Montgomery and Prince George's Counties, and one from Fairfax County. The WSA is honoring the capacity entitlements assigned to Blue Plains users under the IMA. The County has no significant control over plant operations and construction and no ownership interest in the assets of the plant under the IMA.

The System made payments of \$7,736,984 to the District in fiscal year 2001 for its share of the plant's operating costs and \$6,895,986, to fund its portion of current construction costs. For fiscal year 2002, the County estimates that its share of these costs will be \$8,500,000 and \$16,200,000, respectively.

Upper Occoquan Sewage Authority

As described in Note A, the Upper Occoquan Sewage Authority (UOSA) is a joint venture created under the provisions of the Virginia Water and Sewer Authorities Act to be the single regional entity to construct, finance, and operate the regional sewage

treatment facility for the upper portion of the Occoquan Watershed. The current capacity of UOSA's treatment facility is 32 MGD. In fiscal year 1995, UOSA issued bonds to finance an expansion, scheduled to be completed in calendar year 2001, of its facility to a capacity of 54 MGD. Each jurisdiction's allocated share of UOSA's capacity as of June 30, 2001, is as follows:

Member Jurisdiction	Current Capacity (MGD)	Future Capacity (MGD)
Fairfax County	13.1904	27.5999
Prince William County	9.9968	15.7971
City of Manassas	6.8672	7.6893
City of Manassas Park	1.9456	2.9137
Total	32.0000	54.0000

Summarized UOSA financial information as of and for the years ended June 30, 2000 and 1999 (the most recent audited financial information available) is as follows:

Member Jurisdiction	2000	1999
Total assets	\$ 467,683,474	462,085,259
Total liabilities	(398,620,023)	(400,235,858)
Total equity	69,063,451	61,849,401
Total revenue	36,822,826	34,023,772
Total expenses	(23,488,192)	(22,408,636)
Net income	\$ 13,334,634	11,615,136

UOSA's current operating expenses, construction costs, and annual debt service payments are funded by each of the participating jurisdictions based on their allocated capacity, with certain modifications. The System made payments to UOSA in fiscal year 2001 of \$6,878,621 to pay its share of UOSA's operating costs and \$14,901,320 to fund its share of UOSA's debt service. As of June 30, 2001, the System is committed to fund its share of UOSA's remaining debt service as follows:

Fiscal Year	Debt Service Commitment
2002	\$ 15,229,170
2003	15,227,577
2004	15,228,504
2005	15,230,086
2006 and thereafter	387,111,826
Total	\$ 448,027,163

Arlington Agreement

In January 1989, the System signed the Sewage Conveyance Treatment and Disposal Agreement (Arlington Agreement) with Arlington County, Virginia, which obligates the System to share the construction and operating costs for certain sewage treatment facilities owned and operated by Arlington County. The System has no direct on-going equity interest in the facilities' assets and liabilities. Furthermore, the System has no significant influence over the management of the treatment facilities.

The Arlington Agreement sets forth a method for allocating construction and operating costs associated with Arlington's treatment facilities. In fiscal year 2001, the System incurred costs of \$1,015,255 associated with its share of Arlington's operating costs and \$764,742 to fund its share of current facility expansion costs. The System estimates its share of future construction costs to be \$1,000,000 in fiscal year 2002.

5. Fairfax County Solid Waste Authority (SWA) - Resource Recovery

During fiscal year 1999, as a result of a call option, the EDA issued \$195,505,000 of 1998 Series A Resource Recovery Revenue Refunding Bonds, the proceeds of which together with certain other available funds were used to refund all remaining outstanding 1988 Series Bonds, which were initially issued to finance the construction of a 3,000-ton-per-day mass burn facility at the County's landfill site near Interstate 95. The operation of the facility by an independent contractor commenced in 1990. Solid waste is burned to produce electricity which is sold to a local utility company.

The bonds are not an obligation of the County; however, the County is obligated to deliver a minimum annual tonnage of solid waste to the facility and to pay tipping fees for the disposal of such waste sufficient to cover the operating costs of the facility and the debt service on the bonds. As of June 30, 2001, \$174,720,000 of the 1998 Series A Refunding Bonds are outstanding. Unspent bond proceeds in the amount of \$32,211,415, which include investment earnings, are reported in the Resource Recovery Fund, an agency fund; certain unspent proceeds are reserved for debt service and the remainder is available for solid waste disposal purposes.

6. Long-term Contracts

At June 30, 2001, the primary government had contractual commitments of \$66,468,417 in the capital projects funds and \$159,687,028 in the System for construction of various sewer projects. At June 30, 2001, the component units had contractual commitments of \$117,828,218 and \$2,973,529 in the capital projects funds of the Public Schools and the Park Authority, respectively, for construction of various projects.

7. Post-employment Benefits

The Board of Supervisors has established a program to subsidize the health benefit coverage of certain retirees. In order to participate, retirees must have reached the age of 62 or be on disability retirement and must have health benefit coverage in a plan provided by the County. There is no minimum number of years of service required to participate in this program. The program allows for a \$100 per month subsidy per participating retiree and is funded on a pay-as-you-go basis. There are 1,598 participants currently eligible in the program. For fiscal year 2001, the cost of this program to the County was \$1,899,343.

J. PURCHASED CAPACITY

Purchased capacity consists of payments made by the Integrated Sewer System under intermunicipal agreements with the District of Columbia Water and Sewer Authority (Blue Plains), UOSA, ASA, Arlington County, and Prince William County Service Authority (PWCSA) for

improvements to certain specified treatment facilities owned and operated by these jurisdictions. Purchased capacity is amortized over 30 years, the estimated useful life of the assets, using the straight-line method and commencing upon the completion of the improvements. Changes in purchased capacity, in relation to each jurisdiction, are as follows:

	Balance July 1, 2000	Current Additions	Less: Current Amortization	Balance June 30, 2001
Blue Plains	\$ 45,486,714	6,895,986	2,096,320	50,286,380
UOSA	9,178,688	-	401,977	8,776,711
ASA	58,731,675	55,994,258	432,124	114,293,809
Arlington County	8,659,551	764,742	-	9,424,293
PWCSA	-	960,000	32,000	928,000
Total	\$ 122,056,628	64,614,986	2,962,421	183,709,193

K. RESTRICTED ASSETS AND RESERVED RETAINED EARNINGS OF THE ENTERPRISE FUND – INTEGRATED SEWER SYSTEM

As of June 30, 2001 the System had restricted cash and investments of \$186,655,548 in order to manage its funds in accordance with the 1986 Sewer Revenue Bond Resolution and to comply with nitrogen discharge regulations from the State Water Control Board (SWCB). The resolution specifies several purposes for which the System should set aside or restrict funds, which include sewer bond construction, extensions and improvements, establishing a long-term debt service reserve, and funding current debt service requirements. SWCB regulations require the removal of ammonia-nitrogen from the County's Noman Cole Pollution Control Plant and the Alexandria and Arlington County Wastewater Treatment Plants. In anticipation of the major construction required to meet nitrogen discharge regulations, \$52,500,000 has been restricted for nitrogen removal facilities. The System's restricted funds and corresponding reservations of retained earnings at June 30, 2001, are as follows:

Restricted Assets and Reserved Retained Earnings of the System	
Extensions and improvements	\$ 113,068,415
Long-term bond reserve	2,999,284
Long-term debt service requirements	14,973,668
Current debt service requirements	3,114,181
Nitrogen removal facilities	52,500,000
Total restricted assets and reserved retained earnings	\$ 186,655,548

L. FUND DEFICITS

At June 30, 2001, the Central Stores Fund, an internal service fund, had an accumulated deficit of \$391,748. The County will increase charges to other funds in the future to cover the deficit in this fund.

At June 30, 2001, the Section 8 Fund, an enterprise fund of the FCRHA, had an accumulated deficit of \$570,936. This deficit is due to the write off of uncollectible portability payments and revenues below budgeted expectation. This deficit will be eliminated through future HUD reimbursements or from other FCRHA funds.

As of June 30, 2001, the Private Finance Fund, an enterprise fund of the FCRHA, had an accumulated deficit of \$1,173,452. This deficit is due to the one-time restatement of prior year retained earnings to reflect the transfer of certain fixed assets to the Fairfax County Rental Program Fund. This deficit will be eliminated through future operating transfers from other FCRHA funds.

M. PROPERTY TAXES

Real estate is assessed on January 1 each year at the estimated fair market value of all land and improvements. Real estate taxes are due in equal installments, on July 28 and December 5. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer, and after three years, foreclosure proceedings can be initiated.

Personal property taxes on vehicles and business property are based on the estimated fair market value at January 1 each year. The tax on a vehicle may be prorated for the length of time the vehicle has situs in the County. A declaration form is required to be filed, and there is a ten percent penalty for late filing. Personal property taxes together with vehicle decal fees are due on October 5, with certain exceptions. Delinquency notices are sent before statutory measures, such as the seizure of property and the placing of liens on bank accounts and/or wages, are initiated.

Real estate and personal property taxes not paid by the due dates are assessed a ten percent late payment penalty on the tax amount. Furthermore, interest accrues from the first day following the due date at an annual rate of ten percent for the first year and thereafter at the rate set by the Internal Revenue Service. The net delinquent taxes receivable, including interest and penalties, as of June 30, 2001, after allowances for uncollectible amounts, is \$18,664,827, of which \$2,280,800 has been included in tax revenue for fiscal year 2001 because it was collected within 45 days after June 30.

As required by GAAP, the County reports real estate and personal property taxes (net of allowances) assessed for calendar year 2001 as receivables and deferred revenue because the County has an enforceable legal claim to these resources at June 30, 2001; however, these resources, which amount to \$1,644,872,100, will not be available to the County until fiscal year 2002.

The 1998 Virginia General Assembly enacted legislation to provide property tax relief, scheduled to be phased in over five years, on the first \$20,000 of value of motor vehicles not used for business purposes. For the 1998 tax, payable during fiscal year 1999, the Commonwealth rebated the 12.5 percent tax reduction directly to the taxpayers. For subsequent years, the scheduled tax reductions – 27.5 percent of the 1999 tax, 47.5 percent of the 2000 tax, 70 percent of the 2001 tax and 100 percent of the 2002 tax (each of which is payable during the subsequent fiscal year) – are reflected in the County's invoices to the taxpayers. Following receipt by the County of the reduced tax amounts, the Commonwealth reimburses the County for the tax reductions plus certain administrative costs. For fiscal year 2001, payments from the Commonwealth totaling \$118,792,536 are reported as intergovernmental revenue in the General Fund.

N. CONTRIBUTED CAPITAL ACCOUNTS

Developers regularly donate sewer lines, manholes and pumping stations to the System; these assets are valued at their estimated fair market value as of the date of donation and recorded as additions to property, plant, and equipment and contributed capital. The following table discloses changes in contributed capital of the reporting entity's proprietary funds:

	Primary Government		Component Units	
			Public Schools	FCRHA
	Enterprise Fund	Internal Service Funds	Internal Service Fund	Enterprise Funds
Balance July 1, 2000	\$ 174,403,463	20,396,696	4,286,000	24,867,028
Contributions	9,315,013	-	-	-
Depreciation of contributed assets	(9,709,340)	-	-	-
Balance June 30, 2001	\$ 174,009,136	20,396,696	4,286,000	24,867,028

O. FIXED ASSETS - A summary of the changes in fixed assets is as follows:

	Balances June 30, 2000 as restated	Additions	Deductions	Balances June 30, 2001
PRIMARY GOVERNMENT:				
General Fixed Assets Account Group				
Land	\$ 150,892,846	18,124,529	9,514,977	159,502,398
Buildings	607,419,188	129,952,244	120,835,177	616,536,255
Improvements	79,224,112	4,437,159	3,559,026	80,102,245
Equipment	123,544,008	51,349,201	32,863,274	142,029,935
Construction in Progress	98,746,487	34,183,978	3,706,624	129,223,841
Total	1,059,826,641	238,047,111	170,479,078	1,127,394,674
Enterprise Fund				
Land	17,383,765	-	-	17,383,765
Buildings	55,221,333	-	-	55,221,333
Improvements	657,761,277	15,577,879	-	673,339,156
Equipment	8,416,708	493,715	924,332	7,986,091
Construction in Progress	82,283,525	24,974,380	6,262,865	100,995,040
Total	821,066,608	41,045,974	7,187,197	854,925,385
Less: Accumulated Depreciation	263,066,861	19,146,588	889,153	281,324,296
Net	557,999,747	21,899,386	6,298,044	573,601,089
Internal Service Funds				
Land	1,776,483	-	-	1,776,483
Buildings	15,037,299	-	-	15,037,299
Improvements	564,851	-	-	564,851
Equipment	49,073,038	10,674,810	15,654,788	44,093,060
Total	66,451,671	10,674,810	15,654,788	61,471,693
Less: Accumulated Depreciation	39,362,180	6,883,516	11,577,727	34,667,969
Net	27,089,491	3,791,294	4,077,061	26,803,724
Agency Fund				
Equipment	1,546,000	311,640	-	1,857,640
Total Primary Government				
Total Fixed Assets	1,948,890,920	290,079,535	193,321,063	2,045,649,392
Less: Accumulated Depreciation	302,429,041	26,030,104	12,466,880	315,992,265
Net	1,646,461,879	264,049,431	180,854,183	1,729,657,127
COMPONENT UNITS:				
Public Schools				
Land	41,421,804	-	-	41,421,804
Buildings	806,287,078	94,739,118	-	901,026,196
Improvements	309,789,647	144,649,873	-	454,439,520
Equipment	110,846,121	15,947,340	7,401,039	119,392,422
Construction in Progress	371,064,217	93,988,924	239,388,990	225,664,151
Total	1,639,408,867	349,325,255	246,790,029	1,741,944,093
FCRHA				
Land	30,677,550	-	1,520,567	29,156,983
Buildings and Improvements	134,898,064	4,917,176	3,232,166	136,583,074
Equipment	1,932,468	3,312,816	86,553	5,158,731
Construction in Progress	10,534,341	5,358,395	6,678,903	9,213,833
Total	178,042,423 *	13,588,387	11,518,189	180,112,621
Less: Accumulated Depreciation	52,278,342	5,018,470	-	57,296,812
Net	125,764,081 *	8,569,917	11,518,189	122,815,809
Park Authority				
Land	153,721,277	6,316,407	-	160,037,684
Buildings	29,953,689	681,554	-	30,635,243
Improvements	134,851,388	5,136,577	20,133	139,967,832
Equipment	9,681,257	1,742,535	267,829	11,155,963
Construction in Progress	3,684,350	7,861,131	8,100,172	3,445,309
Total	331,891,961	21,738,204	8,388,134	345,242,031
EDA				
Equipment	13,141	-	-	13,141
Total Component Units				
Total Fixed Assets	2,149,356,392	384,651,846	266,696,352	2,267,311,886
Less: Accumulated Depreciation	52,278,342	5,018,470	-	57,296,812
Net	2,097,078,050	379,633,376	266,696,352	2,210,015,074
Total Reporting Entity				
Total Fixed Assets	4,098,247,312	674,731,381	460,017,415	4,312,961,278
Less: Accumulated Depreciation	354,707,383	31,048,574	12,466,880	373,289,077
Net	\$ 3,743,539,929	643,682,807	447,550,535	3,939,672,201

* The FCRHA's gross and net assets have been increased by \$2,163,368 from the amounts previously reported as of June 30, 2000.

P. CONTINGENT LIABILITIES

The reporting entity is contingently liable with respect to lawsuits and other claims that arise in the ordinary course of its operations. The County has recorded a \$1.4 million liability in the general long-term obligations account group which represents management's estimate of losses that may be incurred with respect to pending lawsuits and claims.

The reporting entity receives grant funds, principally from the federal government, for construction and various other programs. Certain expenditures of these funds are subject to audit by the grantor, and the reporting entity is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the management of the County, no material refunds will be required as a result of expenditures disallowed by the grantors.

Q. ACCOUNTING CHANGES**1. Change in Reporting for Nonexchange Transactions**

In fiscal year 2001, the reporting entity adopted the provisions of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions." A provision of this Statement requires that revenue from intergovernmental grants be recognized in governmental funds when all applicable eligibility requirements have been met and the resources are available. The effect of this provision on the County is insignificant. Other provisions of this Statement require that derived taxes be recognized as assets when the underlying exchange transactions occur and imposed taxes be recognized as assets when an enforceable legal claim to the resources arises, even when these taxes are not recognized as revenues because they are not available to the County until the next fiscal year. As a result, certain sales and use, real estate and personal property taxes have been reported as receivables and deferred revenue in the following funds at June 30, 2001, in addition to the amounts that would have been reported in the absence of this Statement, as follows: General Fund - \$1,649,433,900, Reston Community Center Fund - \$4,097,600, McLean Community Center Fund - \$2,029,300, Burgundy Village Community Center Fund - \$10,100, and the Forest Integrated Pest Management Fund - \$839,000.

2. FCRHA

During fiscal year 2001, the FCRHA determined that certain assets and liabilities were not properly reflected in the FCRHA's financial statements as of June 30, 2000. As a result, the retained earnings, have been reduced by \$3,153,377, as follows, to correctly report these assets and liabilities:

Retained earnings, July 1, 2000, as previously stated	\$62,213,481
Prior period adjustment	<u>(3,153,377)</u>
Retained earnings, July 1, 2000, as restated	<u>\$59,060,104</u>

3. Public Schools

During fiscal year 2001, the Public Schools determined that certain Impact Aid payments should have been reported as revenue for fiscal year 2000 in the Capital Projects Fund. As a result, the fund balance has been increased by \$780,000, as follows:

Fund balance, July 1, 2000, as previously stated	\$18,689,387
Prior period adjustment	<u>780,000</u>
Fund balance, July 1, 2000, as restated	<u>\$19,469,387</u>

R. NEW ACCOUNTING PRONOUNCEMENT

In June 1999, the GASB issued Statement No. 34, “ Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments.” This statement will have significant impact on the financial reporting presentation of the reporting entity’s financial statements with the inclusion of a Management’s Discussion and Analysis section and the reformatting of the basic financial statements to present information on both a fund perspective and a government-wide perspective. During fiscal year 2001, the reporting entity determined the impact of this statement on its financial statements and began the process of implementing this statement for fiscal year 2002.

Supplemental Data

The Supplemental Data includes the combining, individual fund, and account group statements and schedules, as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Projects Funds
- Enterprise Fund
- Internal Service Funds
- Fiduciary Funds
- General Fixed Assets Account Group
- General Long-term Obligations Account Group
- Component Units
- Schedule of Treasurer's Accountability

THE GENERAL FUND is used to account for all revenues and expenditures of the County, which are not required to be accounted for in other funds.

Revenues are derived primarily from general property taxes, local sales taxes, utility taxes, business, professional and occupational licenses, the use of money and property, license and permit fees, and state shared taxes.

Expenditures and operating transfers out include the costs of the general County government and transfers to component units and other funds, principally made to fund the operations of the Public Schools and County and Public School debt service requirements.

GENERAL FUND**Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Taxes:			
Real property	\$ 1,084,035,544	1,085,995,523	1,959,979
Personal property	315,231,862	317,487,645	2,255,783
Business licenses	81,960,442	87,846,862	5,886,420
Local sales and use	138,243,639	134,283,190	(3,960,449)
Consumers utility	85,468,340	85,388,448	(79,892)
Motor vehicle decals	17,943,600	18,232,854	289,254
Recordation	16,384,824	16,371,636	(13,188)
Occupancy, tobacco and other	16,671,563	18,242,275	1,570,712
Total taxes	1,755,939,814	1,763,848,433	7,908,619
Permits, privilege fees and regulatory licenses	33,894,607	31,908,008	(1,986,599)
Intergovernmental	243,030,454	239,374,673	(3,655,781)
Charges for services	31,407,338	32,751,934	1,344,596
Fines and forfeitures	8,736,955	9,116,533	379,578
Revenue from the use of money and property	59,404,180	60,380,097	975,917
Recovered costs	5,309,322	5,031,172	(278,150)
Other	317,771	403,383	85,612
Total revenues	2,138,040,441	2,142,814,233	4,773,792
Expenditures:			
General government administration:			
Board of Supervisors	3,807,424	3,403,074	404,350
Financial & Program Auditor	172,359	160,771	11,588
County Executive	6,138,558	5,357,292	781,266
Tax Administration	19,139,810	18,712,258	427,552
Finance	6,067,888	6,019,870	48,018
Telecommunications and Consumer Services	1,629,965	1,370,109	259,856
Human Resources	6,025,883	5,705,014	320,869
Purchasing and Supply Management	3,538,918	3,442,797	96,121
Public Affairs	762,704	666,734	95,970
Electoral Board and General Registrar	3,316,207	2,161,594	1,154,613
County Attorney	5,528,969	5,077,620	451,349
Information Technology	18,885,918	16,730,132	2,155,786
Management and Budget	2,937,967	2,542,330	395,637
Civil Service Commission	178,168	173,152	5,016
Total general government administration	78,130,738	71,522,747	6,607,991
Judicial administration:			
Circuit Court and Records	8,360,877	7,874,131	486,746
Commonwealth Attorney	1,883,511	1,541,497	342,014
General District Court	1,613,274	1,525,163	88,111
Sheriff *	12,250,616	12,575,532	(324,916)
Total judicial administration	\$ 24,108,278	23,516,323	591,955

GENERAL FUND

continued

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Public safety:			
Telecommunications and Consumer Services	\$ 891,290	878,073	13,217
Land Development	9,426,726	9,010,703	416,023
Juvenile and Domestic Relations Court	16,339,132	16,078,098	261,034
Police Department	107,627,961	106,508,520	1,119,441
Sheriff *	29,758,009	29,184,817	573,192
Fire and Rescue	97,312,918	95,487,186	1,825,732
Animal Shelter	834,472	770,772	63,700
Total public safety	262,190,508	257,918,169	4,272,339
Public works:			
Facilities Management	32,583,784	30,047,194	2,536,590
Business Planning and Support	2,306,135	2,172,741	133,394
Capital Facilities	8,019,607	7,934,010	85,597
Stormwater Management	7,384,458	6,676,785	707,673
Unclassified Administrative Expenses	211,138	189,419	21,719
Total public works	50,505,122	47,020,149	3,484,973
Health and welfare:			
Family Services	150,840,431	145,285,927	5,554,504
Health Department	34,909,415	33,914,140	995,275
Office for Women	407,162	396,876	10,286
Human Services Administration	11,022,619	10,651,955	370,664
Human Services Systems Management	4,870,948	4,416,206	454,742
Total health and welfare	202,050,575	194,665,104	7,385,471
Community development:			
Economic Development Authority	6,713,359	6,713,354	5
Land Development	8,768,189	8,134,963	633,226
Planning and Zoning	8,247,394	8,018,382	229,012
Planning Commission	599,240	599,159	81
Housing and Community Development	5,318,778	4,705,286	613,492
Office of Human Rights	1,152,895	1,131,293	21,602
Transportation	4,993,079	3,750,494	1,242,585
Total community development	35,792,934	33,052,931	2,740,003
Parks, recreation and cultural:			
Community and Recreation Services	14,590,844	14,268,980	321,864
Park Authority	19,909,540	19,818,436	91,104
Public Library	27,376,110	27,190,450	185,660
Total parks, recreation and cultural	\$ 61,876,494	61,277,866	598,628

COUNTY OF FAIRFAX, VIRGINIA

Exhibit B

GENERAL FUND

continued

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Nondepartmental:			
Unclassified Administrative Expenses	\$ 6,549,696	3,485,451	3,064,245
Employee Benefits	118,141,530	117,092,186	1,049,344
Total nondepartmental	124,691,226	120,577,637	4,113,589
Total expenditures	839,345,875	809,550,926	29,794,949
Excess of revenues over expenditures	1,298,694,566	1,333,263,307	34,568,741
Other financing sources (uses):			
Operating transfers in from other Primary Government funds:			
Special Revenue Fund:			
Cable Communications	1,683,800	1,683,800	-
Operating transfers out:			
To other Primary Government funds:			
Special Revenue Funds:			
Fairfax-Falls Church Community Services Board	(67,936,678)	(67,936,678)	-
County Transit Systems	(15,902,018)	(15,902,018)	-
Aging Grants and Programs	(1,302,644)	(1,302,644)	-
Information Technology	(18,393,266)	(18,393,266)	-
Consolidated Community Funding Pool Fund	(5,820,176)	(5,820,176)	-
Contributory Fund	(6,198,375)	(6,198,375)	-
E-911	(2,587,445)	(2,587,445)	-
Housing Trust Fund	(1,900,000)	(1,900,000)	-
Debt Service Funds:			
County Debt Service	(94,667,437)	(94,667,437)	-
School Debt Service	(95,250,687)	(95,250,687)	-
Capital Projects Funds:			
County Construction	(15,465,319)	(15,465,319)	-
Library Construction	(240,000)	(240,000)	-
Primary and Secondary Road Bond Construction	(423,277)	(423,277)	-
Public Works Construction	(903,724)	(903,724)	-
Sidewalk Construction	(800,000)	(800,000)	-
Metro Operations and Construction	(12,673,283)	(12,673,283)	-
County Bond Construction	(1,130,000)	(1,130,000)	-
Trail Construction	(150,000)	(150,000)	-
Housing Assistance Program	(2,883,404)	(2,883,404)	-
Internal Service Funds:			
Retiree Health Benefits	(1,896,000)	(1,896,000)	-
Document Services Division	(2,900,000)	(2,900,000)	-
Total operating transfers out to other Primary Government funds	(349,423,733)	(349,423,733)	-
To Component Units:			
Public Schools - General Fund	(988,000,908)	(988,000,908)	-
FCRHA - Elderly Housing Program	(1,359,404)	(1,359,404)	-
Total operating transfers out to Component Units	(989,360,312)	(989,360,312)	-
Total operating transfers out	(1,338,784,045)	(1,338,784,045)	-
Total other financing sources (uses)	(1,337,100,245)	(1,337,100,245)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (38,405,679)	(3,836,938)	34,568,741

* A recap of expenditures by the Sheriff's Office is as follows:

	Budget	Actual	Variance
Judicial administration	\$ 12,250,616	12,575,532	(324,916)
Public safety	29,758,009	29,184,817	573,192
Agency total	\$ 42,008,625	41,760,349	248,276

See accompanying notes to financial statements.

THE SPECIAL REVENUE FUNDS are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

COUNTY TRANSIT SYSTEMS FUND is used to account for the operation of a bus service, known as FAIRFAX CONNECTOR, to transport citizens in certain parts of the County to and from Metrorail stations and for the County's contributions to the Virginia Railway Express commuter rail service.

FEDERAL/STATE GRANT FUND is used to account for the utilization of federal and state funds to assist County citizens.

AGING GRANTS AND PROGRAMS FUND is used to account for programs for senior citizens that specifically relate to the State Plan of Aging Services and that are administered by the Fairfax Area Agency on Aging. Included are programs for the provision of meals, transportation and medical care.

INFORMATION TECHNOLOGY FUND is used to account for the acquisition of computer hardware and software for information technology projects which are designed to improve the County's management information system, its operational efficiency and customer service.

CABLE COMMUNICATIONS FUND is used to account for costs associated with monitoring the County's Cable Communications Ordinance and Franchise Agreement as well as providing programming for the County's Governmental Access Channel. Its primary source of revenue is franchise fees.

FAIRFAX-FALLS CHURCH COMMUNITY SERVICES BOARD FUND is used to account for mental health, mental retardation, alcoholism, and drug abuse services to families and individuals in Fairfax County, the City of Fairfax and the City of Falls Church.

RESTON COMMUNITY CENTER FUND is used to account for the operation of a community center serving the residents of Small District Five, which is located within the Dranesville and Hunter Mill Magisterial Districts and which is supported by the payment of a special assessment by these residents.

McLEAN COMMUNITY CENTER FUND is used to account for the operation of a community center serving the residents of Small District One, which is located within the Dranesville Magisterial District and which is supported by the payment of a special assessment by these residents.

BURGUNDY VILLAGE COMMUNITY CENTER FUND is used to account for the operation of a community center serving the residents of Service District 1A, which is located within Lee Magisterial District and which is supported by payment of a special assessment by these residents.

FOREST INTEGRATED PEST MANAGEMENT PROGRAM FUND, formerly named Gypsy Moth Suppression Program Fund, is used to account for programs to suppress Gypsy Moth and cankerworm insect populations in the County through the development and implementation of detection plans and through the education and involvement of citizens.

CONSOLIDATED COMMUNITY FUNDING POOL FUND is used to account for funds awarded to community-based nonprofit organizations on a competitive basis to provide certain services to County citizens.

CONTRIBUTORY FUND is used to account for funds awarded to certain contributory organizations that typically do not directly support County operations. These funds were previously accounted for in the General Fund.

E-911 FUND is used to account for the operation of a 911 emergency service for the citizens of the County, including related information technology projects, which was previously accounted for in the Information Technology Fund and the General Fund.

LEAF COLLECTION FUND is used to account for the collection and disposal of leaves from residences and businesses located within designated districts, which is supported by the payment of a special assessment by residents and businesses in the districts.

REFUSE COLLECTION AND RECYCLING OPERATIONS FUND is used to account for the collection of refuse in designated districts and all County agencies and the operation of the County's solid waste reduction and recycling centers.

REFUSE DISPOSAL FUND is used to account for the operating of two transfer stations to receive refuse collected throughout the County and channel it to either an incinerator or landfill.

ENERGY RESOURCE RECOVERY FACILITY FUND is used to account for the operation of an incinerator, by a private contractor, used to burn refuse collected throughout the County and received from certain other local jurisdictions. The sale of electricity generated by the facility is a source of revenue.

I-95 REFUSE DISPOSAL FUND is used to account for the operation of a landfill which is currently filled to solid waste capacity and now only used for disposal of ash generated by certain local incinerators.

ALCOHOL SAFETY ACTION PROGRAM FUND is used to account for programs to reduce the incidence of driving under the influence (DUI) of alcohol through rehabilitative alcohol/drug education, case management of DUI defendants, referral to alcohol/drug treatment programs and public information. This fund is solely fee supported and is not an appropriated fund within the operating budget.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND is used to account for programs to upgrade low and moderate income neighborhoods through the provision of public facilities, home improvements, and public services.

HOUSING TRUST FUND is used to account for the promotion of housing for low and moderate income individuals in the County by providing low cost debt and equity capital in the forms of loans, grants, and equity contributions.

HOME INVESTMENT PARTNERSHIP GRANT FUND is used to account for affordable housing through acquisition, rehabilitation, new construction, and tenant-based rental assistance.

COUNTY OF FAIRFAX, VIRGINIA
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2001

	County Transit Systems	Federal/State Grant	Aging Grants and Programs	Information Technology	Cable Communications
Assets					
Equity in pooled cash and temporary investments	\$ 9,593,352	200,212	775,043	25,991,629	13,148,834
Receivables (net of allowances):					
Accrued interest	-	-	-	13,546	-
Property taxes not yet due	-	-	-	-	-
Accounts	-	15,292	-	1,611	2,600,000
Due from intergovernmental units	441,771	8,560,638	27,564	-	-
Notes	-	-	-	-	-
Due from Component Units	-	-	-	-	-
Prepaid items and other assets	-	8,671	80	6,873	3,090
Total assets	\$ 10,035,123	8,784,813	802,687	26,013,659	15,751,924
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,849,538	1,558,342	256,815	173,670	167,843
Contract retainages	-	-	-	-	-
Due to Component Units	-	27,278	-	-	-
Interfund payables	-	2,607,303	10,176	-	15,784
Deferred revenue:					
Property taxes not yet due	-	-	-	-	-
Other	-	3,640,423	-	-	-
Deposits	-	-	-	-	-
Total liabilities	2,849,538	7,833,346	266,991	173,670	183,627
Fund balances:					
Reserved for prepaid items	-	8,671	80	6,873	3,090
Reserved for long-term receivables	-	-	-	-	-
Unreserved	7,185,585	942,796	535,616	25,833,116	15,565,207
Total fund balances	7,185,585	951,467	535,696	25,839,989	15,568,297
Total liabilities and fund balances	\$ 10,035,123	8,784,813	802,687	26,013,659	15,751,924

See accompanying notes to financial statements.

Exhibit C

Fairfax- Falls Church Community Services Board	Reston Community Center	McLean Community Center	Burgundy Village Community Center	Forest Integrated Pest Management Program	Total other funds	Total all funds
3,895,150	2,817,442	2,264,779	126,517	844,988	128,985,447	188,643,393
-	1,572	1,231	66	445	295,711	312,571
-	4,097,600	2,029,300	10,100	839,000	-	6,976,000
860,129	-	-	-	-	6,688,912	10,165,944
643,515	-	-	-	-	1,670,964	11,344,452
-	-	-	-	-	5,122,582	5,122,582
-	-	-	-	-	1,591,703	1,591,703
243	-	-	-	-	-	18,957
5,399,037	6,916,614	4,295,310	136,683	1,684,433	144,355,319	224,175,602
3,101,946	334,740	97,069	532	44,112	3,540,608	12,125,215
-	-	-	-	-	129,301	129,301
15,409	-	-	-	-	-	42,687
365,254	13,517	9,259	29	1,691	881,050	3,904,063
-	4,097,600	2,029,300	10,100	839,000	-	6,976,000
435,223	-	67,031	-	-	121,096	4,263,773
-	-	-	-	-	1,623,922	1,623,922
3,917,832	4,445,857	2,202,659	10,661	884,803	6,295,977	29,064,961
243	-	-	-	-	-	18,957
-	-	-	-	-	5,122,582	5,122,582
1,480,962	2,470,757	2,092,651	126,022	799,630	132,936,760	189,969,102
1,481,205	2,470,757	2,092,651	126,022	799,630	138,059,342	195,110,641
5,399,037	6,916,614	4,295,310	136,683	1,684,433	144,355,319	224,175,602

continued

COUNTY OF FAIRFAX, VIRGINIA
SPECIAL REVENUE FUNDS
Combining Balance Sheet
Other Funds
June 30, 2001

	Consolidated Community Funding Pool	Contributory	E-911	Leaf Collection	Refuse Collection and Recycling Operations
Assets					
Equity in pooled cash and temporary investments	\$ 416,794	270,446	7,268,226	2,539,443	14,961,484
Receivables (net of allowances):					
Accrued interest	-	-	3,703	1,337	7,775
Property taxes not yet due	-	-	-	-	-
Accounts	-	-	1,154,751	-	85,844
Due from intergovernmental units	-	-	-	-	61,551
Notes	-	-	-	-	-
Due from Component Units	-	-	-	-	-
Prepaid items and other assets	-	-	-	-	-
Total assets	\$ 416,794	270,446	8,426,680	2,540,780	15,116,654
Liabilities and fund balances					
Liabilities:					
Accounts payable and accrued liabilities	\$ 98,602	-	570,002	2,790	387,409
Contract retainages	-	-	-	-	-
Due to Component Units	-	-	-	-	-
Interfund payables	-	-	50,494	-	44,723
Deferred revenue:					
Property taxes not yet due	-	-	-	-	-
Other	-	-	-	-	121,096
Deposits	-	-	-	-	-
Total liabilities	98,602	-	620,496	2,790	553,228
Fund balances:					
Reserved for prepaid items	-	-	-	-	-
Reserved for long-term receivables	-	-	-	-	-
Unreserved	318,192	270,446	7,806,184	2,537,990	14,563,426
Total fund balances	318,192	270,446	7,806,184	2,537,990	14,563,426
Total liabilities and fund balances	\$ 416,794	270,446	8,426,680	2,540,780	15,116,654

See accompanying notes to financial statements.

Refuse Disposal	Energy Resource Recovery Facility	I-95 Refuse Disposal	Alcohol Safety Action Program	Community Development Block Grant	Housing Trust	HOME Investment Partnership Grant	Total other funds
4,827,247	10,768,201	75,848,510	124,685	-	11,955,766	4,645	128,985,447
2,957	5,510	39,194	57	-	235,178	-	295,711
-	-	-	-	-	-	-	-
2,558,362	2,424,078	400,552	-	-	63,473	1,852	6,688,912
70,766	7,293	-	-	668,173	-	863,181	1,670,964
-	-	-	-	4,589,540	343,901	189,141	5,122,582
-	-	-	-	-	1,591,703	-	1,591,703
-	-	-	-	-	-	-	-
7,459,332	13,205,082	76,288,256	124,742	5,257,713	14,190,021	1,058,819	144,355,319
1,812,426	170,278	272,415	70,618	109,266	30,693	16,109	3,540,608
-	-	-	-	12,377	30,285	86,639	129,301
-	-	-	-	-	-	-	-
49,380	1,808	12,703	5,508	58,778	-	657,656	881,050
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	121,096
-	-	-	-	-	1,623,922	-	1,623,922
1,861,806	172,086	285,118	76,126	180,421	1,684,900	760,404	6,295,977
-	-	-	-	-	-	-	-
-	-	-	-	4,589,540	343,901	189,141	5,122,582
5,597,526	13,032,996	76,003,138	48,616	487,752	12,161,220	109,274	132,936,760
5,597,526	13,032,996	76,003,138	48,616	5,077,292	12,505,121	298,415	138,059,342
7,459,332	13,205,082	76,288,256	124,742	5,257,713	14,190,021	1,058,819	144,355,319

COUNTY OF FAIRFAX, VIRGINIA

SPECIAL REVENUE FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the fiscal year ended June 30, 2001

	County Transit Systems	Federal/State Grant	Aging Grants and Programs	Information Technology	Cable Communications
Revenues:					
Taxes:					
Real property	\$ -	-	-	-	-
Local sales and use	-	-	-	-	-
Permits, privilege fees and regulatory licenses	-	-	-	-	7,584,440
Intergovernmental	13,127,711	23,960,313	1,910,162	-	2,774,511
Charges for services	2,173,435	79,850	70,964	-	1,730
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	-	188,667	-	2,104,526	-
Recovered costs	-	1,385,966	78,551	-	-
Local matching grants	-	6,439,480	-	-	-
Gifts and donations	-	-	261,205	-	-
Other	-	70,000	46,792	462,533	270
Total revenues	15,301,146	32,124,276	2,367,674	2,567,059	10,360,951
Expenditures:					
Current:					
General government administration	-	84,039	-	11,091,273	-
Judicial administration	-	646,482	-	-	-
Public safety	-	11,847,315	-	-	-
Public works	-	133,596	-	-	-
Health and welfare	-	17,315,528	2,281,915	-	-
Community development	37,253,437	1,172,666	678,447	-	4,271,246
Parks, recreation and cultural	-	75,995	732,109	-	-
Total expenditures	37,253,437	31,275,621	3,692,471	11,091,273	4,271,246
Excess (deficiency) of revenues over (under) expenditures	(21,952,291)	848,655	(1,324,797)	(8,524,214)	6,089,705
Other financing sources (uses):					
Operating transfers in	17,107,722	-	1,302,644	18,393,266	-
Operating transfers out	-	-	-	(7,491,485)	(1,683,800)
Operating transfers out to component units	-	-	-	-	(1,793,500)
Total other financing sources (uses)	17,107,722	-	1,302,644	10,901,781	(3,477,300)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,844,569)	848,655	(22,153)	2,377,567	2,612,405
Fund balances, July 1, 2000	12,030,154	102,812	557,849	23,462,422	12,955,892
Fund balances, June 30, 2001	\$ 7,185,585	951,467	535,696	25,839,989	15,568,297

See accompanying notes to financial statements.

Fairfax- Falls Church Community Services Board	Reston Community Center	McLean Community Center	Burgundy Village Community Center	Forest Integrated Pest Management Program	Total other funds	Total all funds
-	3,846,992	1,936,187	9,979	902,952	-	6,696,110
-	-	-	-	-	14,886,836	14,886,836
-	-	-	-	-	43,019	7,627,459
21,604,752	-	-	-	6,927	7,842,113	71,226,489
8,600,879	672,217	564,018	-	-	78,123,662	90,286,755
-	-	-	-	-	301,850	301,850
-	252,859	216,310	16,148	40,165	8,527,377	11,346,052
1,164,808	-	-	-	-	21,705	2,651,030
-	-	-	-	-	-	6,439,480
-	-	-	-	-	-	261,205
215,689	-	17,144	-	-	2,575,257	3,387,685
31,586,128	4,772,068	2,733,659	26,127	950,044	112,321,819	215,110,951
-	-	-	-	-	1,553,233	12,728,545
-	-	-	-	-	-	646,482
-	-	-	-	-	19,266,517	31,113,832
-	-	-	-	432,636	90,903,896	91,470,128
98,173,278	-	-	-	-	2,016,933	119,787,654
-	-	-	-	-	14,669,166	58,044,962
-	4,786,617	2,300,032	20,395	-	2,473,898	10,389,046
98,173,278	4,786,617	2,300,032	20,395	432,636	130,883,643	324,180,649
(66,587,150)	(14,549)	433,627	5,732	517,408	(18,561,824)	(109,069,698)
67,936,678	-	-	-	-	29,457,856	134,198,166
-	-	(121,050)	-	-	(5,460,375)	(14,756,710)
-	-	-	-	-	(78,059)	(1,871,559)
67,936,678	-	(121,050)	-	-	23,919,422	117,569,897
1,349,528	(14,549)	312,577	5,732	517,408	5,357,598	8,500,199
131,677	2,485,306	1,780,074	120,290	282,222	132,701,744	186,610,442
1,481,205	2,470,757	2,092,651	126,022	799,630	138,059,342	195,110,641

continued

COUNTY OF FAIRFAX, VIRGINIA
SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Funds
For the fiscal year ended June 30, 2001

	Consolidated Community Funding Pool	Contributory	E-911	Leaf Collection	Refuse Collection and Recycling Operations
Revenues:					
Taxes:					
Real property	\$	-	-	-	-
Local sales and use	-	-	14,886,836	-	-
Permits, privilege fees and regulatory licenses	-	-	-	-	-
Intergovernmental	-	-	1,621,624	-	93,524
Charges for services	-	-	-	632,206	10,175,390
Developers' contributions	-	-	-	-	-
Revenue from the use of money and property	-	-	394,960	207,776	1,038,670
Recovered costs	-	-	-	966	5,746
Local matching grants	-	-	-	-	-
Gifts and donations	-	-	-	-	-
Other	-	-	-	-	879,869
Total revenues	-	-	16,903,420	840,948	12,193,199
Expenditures:					
Current:					
General government administration	-	1,553,233	-	-	-
Judicial administration	-	-	-	-	-
Public safety	-	90,351	19,176,166	-	-
Public works	-	-	-	1,142,231	12,141,741
Health and welfare	-	703,279	-	-	-
Community development	5,840,963	1,107,168	-	-	-
Parks, recreation and cultural	-	2,473,898	-	-	-
Total expenditures	5,840,963	5,927,929	19,176,166	1,142,231	12,141,741
Excess (deficiency) of revenues over (under) expenditures	(5,840,963)	(5,927,929)	(2,272,746)	(301,283)	51,458
Other financing sources (uses):					
Operating transfers in	5,820,176	6,198,375	10,078,930	-	-
Operating transfers out	-	-	-	-	-
Operating transfers out to component units	-	-	-	-	-
Total other financing sources (uses)	5,820,176	6,198,375	10,078,930	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(20,787)	270,446	7,806,184	(301,283)	51,458
Fund balances, July 1, 2000	338,979	-	-	2,839,273	14,511,968
Fund balances, June 30, 2001	\$ 318,192	270,446	7,806,184	2,537,990	14,563,426

See accompanying notes to financial statements.

Refuse Disposal	Energy Resource Recovery Facility	I-95 Refuse Disposal	Alcohol Safety Action Program	Community Development Block Grant	Housing Trust	HOME Investment Partnership Grant	Total other funds
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	14,886,836
35,819	-	7,200	-	-	-	-	43,019
-	-	-	-	4,869,954	-	1,257,011	7,842,113
32,185,385	29,469,162	4,484,801	1,176,718	-	-	-	78,123,662
-	-	-	-	-	301,850	-	301,850
708,600	484,807	4,704,554	9,307	329,902	576,826	71,975	8,527,377
14,993	-	-	-	-	-	-	21,705
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
493,580	986,883	207,669	5,292	-	1,964	-	2,575,257
33,438,377	30,940,852	9,404,224	1,191,317	5,199,856	880,640	1,328,986	112,321,819
-	-	-	-	-	-	-	1,553,233
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	19,266,517
36,797,975	29,642,650	11,179,299	-	-	-	-	90,903,896
-	-	-	1,313,654	-	-	-	2,016,933
-	-	-	-	5,739,922	701,231	1,279,882	14,669,166
-	-	-	-	-	-	-	2,473,898
36,797,975	29,642,650	11,179,299	1,313,654	5,739,922	701,231	1,279,882	130,883,643
(3,359,598)	1,298,202	(1,775,075)	(122,337)	(540,066)	179,409	49,104	(18,561,824)
5,460,375	-	-	-	-	1,900,000	-	29,457,856
-	(5,460,375)	-	-	-	-	-	(5,460,375)
-	-	-	-	(78,059)	-	-	(78,059)
5,460,375	(5,460,375)	-	-	(78,059)	1,900,000	-	23,919,422
2,100,777	(4,162,173)	(1,775,075)	(122,337)	(618,125)	2,079,409	49,104	5,357,598
3,496,749	17,195,169	77,778,213	170,953	5,695,417	10,425,712	249,311	132,701,744
5,597,526	13,032,996	76,003,138	48,616	5,077,292	12,505,121	298,415	138,059,342

SPECIAL REVENUE FUNDS

COUNTY TRANSIT SYSTEMS FUND

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 13,756,401	12,988,199	(768,202)
Charges for services	177,322	272,501	95,179
Total revenues	13,933,723	13,260,700	(673,023)
Expenditures:			
Current:			
Community development	42,225,919	35,212,991	7,012,928
Total expenditures	42,225,919	35,212,991	7,012,928
Excess (deficiency) of revenues over (under) expenditures	(28,292,196)	(21,952,291)	6,339,905
Other financing sources:			
Operating transfers in	17,107,722	17,107,722	-
Total other financing sources	17,107,722	17,107,722	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (11,184,474)	(4,844,569)	6,339,905

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**FEDERAL/STATE GRANT FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 55,953,175	23,960,313	(31,992,862)
Charges for services	-	79,850	79,850
Revenue from the use of money and property	34,895	188,667	153,772
Recovered costs	1,246,085	1,385,966	139,881
Local matching grants	10,771,653	6,439,480	(4,332,173)
Other	442,473	70,000	(372,473)
Total revenues	68,448,281	32,124,276	(36,324,005)
Expenditures:			
Current:			
General government administration	195,645	84,039	111,606
Judicial administration	789,824	646,482	143,342
Public safety	22,073,131	11,847,315	10,225,816
Public works	416,779	133,596	283,183
Health and welfare	29,279,882	17,315,528	11,964,354
Community development	3,397,858	1,172,666	2,225,192
Parks, recreation and cultural	364,078	75,995	288,083
Nondepartmental	11,966,578	-	11,966,578
Total expenditures	68,483,775	31,275,621	37,208,154
Excess (deficiency) of revenues			
over (under) expenditures	\$ (35,494)	848,655	884,149

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**AGING GRANTS AND PROGRAMS FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 2,066,274	1,910,161	(156,113)
Charges for services	64,162	70,964	6,802
Recovered costs	90,436	78,551	(11,885)
Gifts and donations	300,158	261,205	(38,953)
Other	56,346	46,793	(9,553)
Total revenues	2,577,376	2,367,674	(209,702)
Expenditures:			
Current:			
Health and welfare	2,539,062	2,281,915	257,147
Community development	958,075	678,447	279,628
Parks, recreation and cultural	940,733	732,109	208,624
Total expenditures	4,437,870	3,692,471	745,399
Excess (deficiency) of revenues over (under) expenditures	(1,860,494)	(1,324,797)	535,697
Other financing sources:			
Operating transfers in	1,302,644	1,302,644	-
Total other financing sources	1,302,644	1,302,644	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (557,850)	(22,153)	535,697

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

INFORMATION TECHNOLOGY FUND

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Revenue from the use of money and property	\$ 1,200,000	2,277,461	1,077,461
Other	462,533	462,533	-
Total revenues	1,662,533	2,739,994	1,077,461
Expenditures:			
Current:			
General government administration	35,756,910	11,091,273	24,665,637
Total expenditures	35,756,910	11,091,273	24,665,637
Excess (deficiency) of revenues over (under) expenditures	(34,094,377)	(8,351,279)	25,743,098
Other financing sources (uses):			
Operating transfers in	18,393,266	18,393,266	-
Operating transfers out	(7,491,485)	(7,491,485)	-
Total other financing sources (uses)	10,901,781	10,901,781	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (23,192,596)	2,550,502	25,743,098

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**CABLE COMMUNICATIONS FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Permits, privilege fees and regulatory licenses	\$ 11,160,303	10,326,551	(833,752)
Other	5,000	34,400	29,400
Total revenues	11,165,303	10,360,951	(804,352)
Expenditures:			
Current:			
Community development	18,964,905	4,271,246	14,693,659
Total expenditures	18,964,905	4,271,246	14,693,659
Excess of revenues over expenditures	(7,799,602)	6,089,705	13,889,307
Other financing sources (uses):			
Operating transfers out	(1,683,800)	(1,683,800)	-
Operating transfers out to component units	(1,793,500)	(1,793,500)	-
Total other financing sources (uses)	(3,477,300)	(3,477,300)	-
Excess (deficiency) of revenues over (under) expenditures and other financing uses	\$ (11,276,902)	2,612,405	13,889,307

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

FAIRFAX-FALLS CHURCH COMMUNITY SERVICES BOARD FUND

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 21,625,124	21,604,752	(20,372)
Charges for services	8,057,838	8,600,879	543,041
Other	203,406	215,689	12,283
Total revenues	29,886,368	30,421,320	534,952
Expenditures:			
Current:			
Health and welfare	97,667,164	97,013,447	653,717
Total expenditures	97,667,164	97,013,447	653,717
Excess (deficiency) of revenues over (under) expenditures	(67,780,796)	(66,592,127)	1,188,669
Other financing sources:			
Operating transfers in	67,936,678	67,936,678	-
Total other financing sources	67,936,678	67,936,678	-
Excess of revenues and other financing sources over expenditures	\$ 155,882	1,344,551	1,188,669

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**RESTON COMMUNITY CENTER FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Real property taxes	\$ 3,842,396	3,846,992	4,596
Charges for services	627,600	672,217	44,617
Revenue from the use of money and property	249,000	271,929	22,929
Other	-	-	-
Total revenues	4,718,996	4,791,138	72,142
Expenditures:			
Current:			
Parks, recreation and cultural	4,809,754	4,786,617	23,137
Total expenditures	4,809,754	4,786,617	23,137
Excess (deficiency) of revenues over (under) expenditures	\$ (90,758)	4,521	95,279

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**McLEAN COMMUNITY CENTER FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Real property taxes	\$ 1,940,171	1,936,187	(3,984)
Charges for services	497,776	564,018	66,242
Revenue from the use of money and property	186,583	228,862	42,279
Other	20,177	17,144	(3,033)
Total revenues	2,644,707	2,746,211	101,504
Expenditures:			
Current:			
Parks, recreation and cultural	2,625,104	2,300,032	325,072
Total expenditures	2,625,104	2,300,032	325,072
Excess of revenues over expenditures	19,603	446,179	426,576
Other financing sources (uses):			
Operating transfers out	(121,050)	(121,050)	-
Total other financing sources (uses)	(121,050)	(121,050)	-
Excess (deficiency) of revenues over (under) expenditures and other financing uses	\$ (101,447)	325,129	426,576

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**BURGUNDY VILLAGE COMMUNITY CENTER FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Real property taxes	\$ 9,637	9,979	342
Revenue from the use of money and property	18,938	16,919	(2,019)
Total revenues	28,575	26,898	(1,677)
Expenditures:			
Current:			
Parks, recreation and cultural	22,554	20,395	2,159
Total expenditures	22,554	20,395	2,159
Excess of revenues over expenditures	\$ 6,021	6,503	482

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**FOREST INTEGRATED PEST MANAGEMENT PROGRAM FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Real property taxes	\$ 857,857	902,952	45,095
Intergovernmental	-	6,927	6,927
Revenue from the use of money and property	47,139	40,184	(6,955)
Total revenues	904,996	950,063	45,067
Expenditures:			
Current:			
Public works	863,319	432,636	430,683
Total expenditures	863,319	432,636	430,683
Excess of revenues over expenditures	\$ 41,677	517,427	475,750

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

CONSOLIDATED COMMUNITY FUNDING POOL FUND

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:	\$ -	-	-
Expenditures:			
Current:			
Community development	6,159,155	5,840,963	318,192
Total expenditures	6,159,155	5,840,963	318,192
Excess (deficiency) of revenues over (under) expenditures	(6,159,155)	(5,840,963)	318,192
Other financing sources:			
Operating transfers in	5,820,176	5,820,176	-
Total other financing sources	5,820,176	5,820,176	-
Excess (deficiency) of revenues and other financing sources			
over (under) expenditures	\$ (338,979)	(20,787)	318,192

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**CONTRIBUTORY FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:	\$ -	-	-
Expenditures:			
Current:			
General government administration	1,555,688	1,553,233	2,455
Public safety	90,351	90,351	-
Health and welfare	937,540	703,279	234,261
Community development	1,115,898	1,107,168	8,730
Parks, recreation and cultural	2,498,898	2,473,898	25,000
Total expenditures	6,198,375	5,927,929	270,446
Excess (deficiency) of revenues over (under) expenditures	\$ (6,198,375)	(5,927,929)	270,446
Other financing sources:			
Operating transfers in	6,198,375	6,198,375	-
Total other financing sources	6,198,375	6,198,375	-
Excess of revenues and other financing sources over expenditures	\$ -	270,446	270,446

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**E-911 FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Local sales and use taxes	\$ 14,616,600	14,886,836	270,236
Intergovernmental	1,619,637	1,621,624	1,987
Revenue from the use of money and property	405,324	368,472	(36,852)
Total revenues	16,641,561	16,876,932	235,371
Expenditures:			
Current:			
Public safety	26,720,491	19,176,166	7,544,325
Total expenditures	26,720,491	19,176,166	7,544,325
Excess (deficiency) of revenues over (under) expenditures	(10,078,930)	(2,299,234)	7,779,696
Other financing sources:			
Operating transfers in	10,078,930	10,078,930	-
Total other financing sources	10,078,930	10,078,930	-
Excess of revenues and other financing sources over expenditures	\$ -	7,779,696	7,779,696

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**LEAF COLLECTION FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Charges for services	\$ 593,439	632,206	38,767
Revenue from the use of money and property	129,689	227,965	98,276
Recovered cost	-	966	966
Total revenues	723,128	861,137	138,009
Expenditures:			
Current:			
Public works	1,142,602	1,142,231	371
Total expenditures	1,142,602	1,142,231	371
Excess (deficiency) of revenues over (under) expenditures	\$ (419,474)	(281,094)	138,380

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**REFUSE COLLECTION AND RECYCLING OPERATIONS FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 93,524	93,524	-
Charges for services	10,509,271	10,175,390	(333,881)
Revenue from the use of money and property	798,285	1,139,558	341,273
Recovered costs	-	5,746	5,746
Other	687,619	879,869	192,250
Total revenues	12,088,699	12,294,087	205,388
Expenditures:			
Current:			
Public works	13,174,471	12,141,741	1,032,730
Total expenditures	13,174,471	12,141,741	1,032,730
Excess (deficiency) of revenues			
over (under) expenditures	\$ (1,085,772)	152,346	1,238,118

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**REFUSE DISPOSAL FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Permits, privilege fees and regulatory licenses	\$ 24,000	35,819	11,819
Charges for services	29,448,359	31,245,792	1,797,433
Revenue from the use of money and property	284,228	726,934	442,706
Recovered costs	-	14,993	14,993
Other	380,000	493,580	113,580
Total revenues	30,136,587	32,517,118	2,380,531
Expenditures:			
Current:			
Public works	37,377,080	35,858,382	1,518,698
Total expenditures	37,377,080	35,858,382	1,518,698
Excess (deficiency) of revenues over (under) expenditures	(7,240,493)	(3,341,264)	3,899,229
Other financing sources:			
Operating transfers in	5,460,375	5,460,375	-
Total other financing sources	5,460,375	5,460,375	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (1,780,118)	2,119,111	3,899,229

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**ENERGY RESOURCE RECOVERY FACILITY FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Charges for services	\$ 30,596,100	29,469,162	(1,126,938)
Revenue from the use of money and property	659,559	599,167	(60,392)
Other	398,750	986,883	588,133
Total revenues	31,654,409	31,055,212	(599,197)
Expenditures:			
Current:			
Public works	31,638,417	29,642,650	1,995,767
Total expenditures	31,638,417	29,642,650	1,995,767
Excess (deficiency) of revenues over (under) expenditures	\$ 15,992	1,412,562	1,396,570
Other financing sources (uses):			
Operating transfers out	(5,460,375)	(5,460,375)	-
Total other financing sources (uses)	(5,460,375)	(5,460,375)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (5,444,383)	(4,047,813)	1,396,570

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**I-95 REFUSE DISPOSAL FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Permits, privilege fees and regulatory licenses	\$ 10,800	7,200	(3,600)
Charges for services	4,943,962	4,484,801	(459,161)
Revenue from the use of money and property	5,869,291	5,229,115	(640,176)
Recovered costs	-	-	-
Other	231,600	207,669	(23,931)
Total revenues	11,055,653	9,928,785	(1,126,868)
Expenditures:			
Current:			
Public works	28,324,550	11,179,299	17,145,251
Total expenditures	28,324,550	11,179,299	17,145,251
Excess (deficiency) of revenues over (under) expenditures	\$ (17,268,897)	(1,250,514)	16,018,383

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS

COMMUNITY DEVELOPMENT BLOCK GRANT

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 12,421,979	5,140,572	(7,281,407)
Revenue from the use of money and property	252,259	331,123	78,864
Total revenues	12,674,238	5,471,695	(7,202,543)
Expenditures:			
Current:			
Community development	13,798,588	6,103,296	7,695,292
Total expenditures	13,798,588	6,103,296	7,695,292
Excess (deficiency) of revenues over (under) expenditures	\$ (1,124,350)	(631,601)	492,749

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**HOUSING TRUST FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Developers' contributions	\$ 800,000	301,850	(498,150)
Revenue from the use of money and property	200,000	695,358	495,358
Other	-	6,565	6,565
Total revenues	1,000,000	1,003,773	3,773
Expenditures:			
Current:			
Community development	10,459,033	716,231	9,742,802
Total expenditures	10,459,033	716,231	9,742,802
Excess (deficiency) of revenues over (under) expenditures	(9,459,033)	287,542	9,746,575
Other financing sources:			
Operating transfers in	1,900,000	1,900,000	-
Total other financing sources	1,900,000	1,900,000	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (7,559,033)	2,187,542	9,746,575

See accompanying notes to financial statements.

SPECIAL REVENUE FUNDS**HOME INVESTMENT PARTNERSHIP GRANT FUND****Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 4,048,950	1,257,011	(2,791,939)
Revenue from the use of money and property	444,558	71,975	(372,583)
Total revenues	4,493,508	1,328,986	(3,164,522)
Expenditures:			
Current:			
Community development	4,580,997	1,307,203	3,273,794
Total expenditures	4,580,997	1,307,203	3,273,794
Excess (deficiency) of revenues over (under) expenditures	\$ (87,489)	21,783	109,272

See accompanying notes to financial statements.

THE DEBT SERVICE FUNDS are used to account for the accumulation of resources for and the payments of general obligation bond principal, interest and related expenses from governmental resources and special assessment bond principal and interest from special assessment levies.

COUNTY DEBT SERVICE FUND is used to account for the funds accumulated and expended for the payment of principal, interest and other costs applicable to the non-School portion of the general obligation bond issues, the EDA and FCRHA lease revenue bonds, and the special assessment bond issue pertaining to the McLean Community Center.

SCHOOL DEBT SERVICE FUND is used to account for the funds accumulated and expended for the payment of principal, interest and other costs applicable to the Public School portion of the general obligation bond issues and the loans received from the Literary Fund of Virginia.

COUNTY OF FAIRFAX, VIRGINIA
DEBT SERVICE FUNDS
Combining Balance Sheet
June 30, 2001

Exhibit D

	County	School	Total all funds
Assets			
Equity in pooled cash and temporary investments	\$ 1,745,660	3,134,563	4,880,223
Cash with fiscal agents	223,778	110,647	334,425
Total assets	\$ 1,969,438	3,245,210	5,214,648
Liabilities and fund balances			
Liabilities:			
Accounts payable and accrued liabilities	\$ 2,481	-	2,481
Matured bonds payable	90,441	102,270	192,711
Matured interest payable	46,031	8,377	54,408
Deferred revenue	307,086	579,407	886,493
Total liabilities	446,039	690,054	1,136,093
Fund balances	1,523,399	2,555,156	4,078,555
Total liabilities and fund balances	\$ 1,969,438	3,245,210	5,214,648

See accompanying notes to financial statements.

DEBT SERVICE FUNDS**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

For the fiscal year ended June 30, 2001

	County	School	Total all funds
Revenues:			
Intergovernmental	\$ 36,402	-	36,402
Total revenues	36,402	-	36,402
Expenditures:			
Principal retirement	57,838,501	58,110,424	115,948,925
Interest and other:			
Interest	37,689,777	39,557,812	77,247,589
Fiscal agents' and consultant's fees	14,344	484	14,828
Total interest and other	37,704,121	39,558,296	77,262,417
Total expenditures	95,542,622	97,668,720	193,211,342
Excess (deficiency) of revenues over (under) expenditures	(95,506,220)	(97,668,720)	(193,174,940)
Other financing sources (uses):			
Operating transfers in	94,788,487	95,250,687	190,039,174
Operating transfers in from component unit	-	833,926	833,926
Proceeds from sale of refunding bonds	84,325,472	59,884,395	144,209,867
Payments to refunded bond escrow agent	(84,092,965)	(59,557,471)	(143,650,436)
Total other financing sources (uses)	95,020,994	96,411,537	191,432,531
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(485,226)	(1,257,183)	(1,742,409)
Fund balances, July 1, 2000	2,008,625	3,812,339	5,820,964
Fund balances, June 30, 2001	\$ 1,523,399	2,555,156	4,078,555

See accompanying notes to financial statements.

COUNTY DEBT SERVICE FUND

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 27,000	36,402	9,402
Total revenues	27,000	36,402	9,402
Expenditures:			
Principal retirement	57,838,501	57,838,501	-
Interest and other:			
Interest	38,002,665	37,689,777	312,888
Fiscal agents' and consultant's fees	17,000	14,344	2,656
Total interest and other	38,019,665	37,704,121	315,544
Total expenditures	95,858,166	95,542,622	315,544
Excess (deficiency) of revenues over (under) expenditures	(95,831,166)	(95,506,220)	324,946
Other financing sources:			
Operating transfers in	94,788,487	94,788,487	-
Proceeds from sale of refunding bonds	-	232,507	232,507
Total other financing sources	94,788,487	95,020,994	232,507
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (1,042,679)	(485,226)	557,453

See accompanying notes to financial statements.

SCHOOL DEBT SERVICE FUND**Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)**

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:	\$ -	-	-
Expenditures:			
Principal retirement	58,110,424	58,110,424	-
Interest and other:			
Interest	39,883,900	39,557,812	326,088
Fiscal agents' and consultant's fees	5,000	484	4,516
Total interest and other	39,888,900	39,558,296	330,604
Total expenditures	97,999,324	97,668,720	330,604
Excess (deficiency) of revenues over (under) expenditures	(97,999,324)	(97,668,720)	330,604
Other financing sources:			
Operating transfers in	95,250,687	95,250,687	-
Operating transfers in from component unit	833,926	833,926	-
Proceeds from sale of refunding bonds	-	326,924	326,924
Total other financing sources	96,084,613	96,411,537	326,924
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (1,914,711)	(1,257,183)	657,528

See accompanying notes to financial statements.

THE CAPITAL PROJECTS FUNDS are used to account for financial resources used for all general County and School construction projects other than enterprise fund construction.

COUNTYWIDE ROADWAY IMPROVEMENT FUND is used to account for funds held in reserve for necessary road construction and improvements for which funding from other sources is not available. Funds are transferred from the Roadway Improvements Fund to other County road construction funds as approved by the Board of Supervisors.

CONTRIBUTED ROADWAY IMPROVEMENT FUND is used to account for contributions received from developers for specific projects in various growth areas in the County.

LIBRARY CONSTRUCTION FUND is used to account for design and construction of new County libraries, renovation of existing facilities and capital equipment expenditures authorized by voter referendum. Projects are funded from the sale of bonds.

COUNTY CONSTRUCTION FUND is used to account for renovations essential to the safe and efficient operation of County government buildings, facilities and equipment. Projects are usually funded by transfers from the general fund.

PRIMARY AND SECONDARY ROAD BOND CONSTRUCTION FUND is used to account for road construction and repair authorized by voter referendum. Projects are funded primarily from the sale of bonds. Other sources of funding are developers' contributions and transfers from other funds.

NORTHERN VIRGINIA REGIONAL PARK AUTHORITY FUND is used to account for the subsidies to a system of regional parks in the Northern Virginia area which is operated by this Authority. These community resources are supported primarily from the annual contributions of its member jurisdictions: the Counties of Fairfax, Loudoun and Arlington; and the Cities of Fairfax, Alexandria and Falls Church.

SIDEWALK CONSTRUCTION FUND is used to account for the design and construction of sidewalks to provide safe walking conditions for public school students. The Sidewalk Program is undertaken in cooperation with the Public School system and generally involves projects which link residential areas and public schools. Projects are funded by the general fund.

PUBLIC WORKS CONSTRUCTION FUND is used to account for the construction of various projects including the County's streetlight program, storm drainage projects and storm water monitoring programs. Projects are funded by transfers from the general fund and contributions from developers.

METRO OPERATIONS AND CONSTRUCTION FUND is used to account for subsidies to the Washington Metropolitan Area Transit Authority for Metrobus/Metrorail operations and Metrorail construction. The cost of the operations and construction is shared by all counties and cities in the Washington Metropolitan Area.

STORM DRAINAGE BOND CONSTRUCTION FUND is used to account for the improvement and construction of storm drainage systems. Projects are funded by the sale of bonds.

COUNTY BOND CONSTRUCTION FUND is used to account for general County construction projects resulting from the approval of bond referenda. Authorized projects include the design and construction of commuter parking facilities, human service facilities and adult and juvenile detention facilities. These projects are funded by the sale of bonds, Federal Transit Authority grants and developers' contributions. In addition, County general obligation bond proceeds that are allocated to the capital projects funds of the discretely presented component units are reported as other financing sources and operating transfers out in this Fund.

PUBLIC SAFETY CONSTRUCTION FUND is used to account for funding of public safety projects including the design and construction of fire stations, police stations, governmental centers and the Public Safety Academy. Projects are funded by the sale of bonds.

TRAIL CONSTRUCTION FUND is used to account for funding the County Trail Program which serves the recreation and transportation needs of pedestrians and bicyclists. The program includes the construction of new trails, upgrades to existing trails and rebuilding existing trails to current design standards in order to alleviate safety problems. Projects are funded by the general fund.

NEIGHBORHOOD IMPROVEMENT FUND is used to account for public facilities improvements such as curbs, gutters, sidewalks and the widening of streets. Projects are funded by the sale of bonds.

COMMERCIAL REVITALIZATION PROGRAM FUND is used to account for the funding of the development and promotion of competitive commercial centers. The improvements financed through the program include moving utilities underground, sidewalk construction, street lighting, tree planting and other pedestrian amenities. Projects are funded by the sale of bonds.

PRO RATA DRAINAGE CONSTRUCTION FUND is used to account for storm drainage projects in accordance with the Pro Rata Share Program approved by the Board of Supervisors on December 16, 1991. Under this program, funding is obtained from land developers who pay a pro rata share of the total estimated cost of necessary storm drainage improvements.

HOUSING ASSISTANCE PROGRAM FUND is used to account for the development of low and moderate income housing and support of public improvement projects in low and moderate income neighborhoods.

HOUSING GENERAL OBLIGATION BOND CONSTRUCTION FUND is used to account for projects that are supported wholly or in part by general obligation bond proceeds. This program recognizes the basic need to maintain and improve the infrastructure and housing stock in older neighborhoods where residents of those neighborhoods have limited financial means to support the improvements.

COUNTY OF FAIRFAX, VIRGINIA
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
June 30, 2001

	Countywide Roadway Improvement	Contributed Roadway Improvement	Library Construction	County Construction
Assets				
Equity in pooled cash and temporary investments	\$ 2,420,984	32,376,573	1,946,720	21,908,424
Accrued interest receivable	-	16,578	-	-
Accounts receivables	-	-	-	-
Due from intergovernmental units	-	-	-	35,000
Total assets	\$ 2,420,984	32,393,151	1,946,720	21,943,424
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 4,954	619,426	21,982	101,679
Contracts payable	151	151	1,499	833,850
Contract retainages	-	-	10,000	38,711
Deferred revenue	-	-	-	70,808
Deposits	-	4,617,718	-	118,360
Due to Component Units	-	-	-	89,271
Total liabilities	5,105	5,237,295	33,481	1,252,679
Fund balances:				
Reserved for encumbrances	178,305	7,417,895	165,089	2,602,220
Unreserved (deficits)	2,237,574	19,737,961	1,748,150	18,088,525
Total fund balances	2,415,879	27,155,856	1,913,239	20,690,745
Total liabilities and fund balances	\$ 2,420,984	32,393,151	1,946,720	21,943,424

See accompanying notes to financial statements.

Exhibit E

Primary and Secondary Road Bond Construction	Sidewalk Construction	Public Works Construction	Metro Operations and Construction	Total other funds	Total all funds
13,806,329	4,927,956	13,298,741	9,078,340	38,930,656	138,694,723
-	-	-	-	-	16,578
-	-	1,427	-	1,105,812	1,107,239
141,693	16,230	10,000	-	107,654	310,577
13,948,022	4,944,186	13,310,168	9,078,340	40,144,122	140,129,117
373,786	165,153	1,482,753	-	1,732,905	4,502,638
212,116	3,049	363,640	-	464,069	1,878,525
65,174	43,002	36,727	-	1,394,858	1,588,472
-	11,000	1,224,605	-	21,810,710	23,117,123
12,420	-	11,300	-	-	4,759,798
-	-	-	-	-	89,271
663,496	222,204	3,119,025	-	25,402,542	35,935,827
7,502,263	162,747	2,097,304	-	46,342,594	66,468,417
5,782,263	4,559,235	8,093,839	9,078,340	(31,601,014)	37,724,873
13,284,526	4,721,982	10,191,143	9,078,340	14,741,580	104,193,290
13,948,022	4,944,186	13,310,168	9,078,340	40,144,122	140,129,117

continued

COUNTY OF FAIRFAX, VIRGINIA
CAPITAL PROJECTS FUNDS
Combining Balance Sheet
Other Funds
June 30, 2001

	Storm Drainage Bond Construction	County Bond Construction	Public Safety Construction	Trail Construction
Assets				
Equity in pooled cash and temporary investments	\$ 257,590	10,429,215	1,807,666	367,387
Accrued interest receivable	-	-	-	-
Accounts receivables	-	-	1,105,812	-
Due from intergovernmental units	-	-	-	6,860
Total assets	\$ 257,590	10,429,215	2,913,478	374,247
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 102,554	820,480	475,136	5,537
Contracts payable	7,336	59,783	354,774	430
Contract retainages	-	847,218	441,602	2,670
Deferred revenue	-	-	-	-
Deposits	-	-	-	-
Due to Component Units	-	-	-	-
Total liabilities	109,890	1,727,481	1,271,512	8,637
Fund balances:				
Reserved for encumbrances	64,421	6,370,075	32,254,053	463,275
Unreserved (deficits)	83,279	2,331,659	(30,612,087)	(97,665)
Total fund balances	147,700	8,701,734	1,641,966	365,610
Total liabilities and fund balances	\$ 257,590	10,429,215	2,913,478	374,247

See accompanying notes to financial statements.

Neighborhood Improvement	Commercial Revitalization Program	Pro Rata Drainage Construction	Housing Assistance Program	Housing General Obligation Bond Construction	Total other funds
579,684	476,715	21,869,014	3,057,174	86,211	38,930,656
-	-	-	-	-	-
-	-	-	-	-	1,105,812
-	100,794	-	-	-	107,654
579,684	577,509	21,869,014	3,057,174	86,211	40,144,122
248,651	40,500	40,047	-	-	1,732,905
-	15,970	15,285	10,491	-	464,069
101,020	-	-	2,348	-	1,394,858
-	-	21,810,710	-	-	21,810,710
-	-	-	-	-	-
-	-	-	-	-	-
349,671	56,470	21,866,042	12,839	-	25,402,542
1,126,861	810,599	1,515,212	3,723,188	14,910	46,342,594
(896,848)	(289,560)	(1,512,240)	(678,853)	71,301	(31,601,014)
230,013	521,039	2,972	3,044,335	86,211	14,741,580
579,684	577,509	21,869,014	3,057,174	86,211	40,144,122

COUNTY OF FAIRFAX, VIRGINIA

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the fiscal year ended June 30, 2001

	Countywide Roadway Improvement	Contributed Roadway Improvement	Library Construction	County Construction
Revenues:				
Intergovernmental	\$ -	1,140	-	4,541,190
Developers' contributions	-	3,749,686	-	18,915
Revenue from the use of money and property	-	1,832,624	-	-
Recovered costs	-	-	-	2,300
Other	-	473	-	174,282
Total revenues	-	5,583,923	-	4,736,687
Expenditures:				
Current:				
Community development	-	-	-	2,925,936
Parks, recreation and cultural	-	-	-	-
Capital outlay:				
Bond issuance costs	-	-	7,886	-
Land	-	29,797	19,461	1,570,777
Buildings	-	-	496,611	2,484,110
Improvements other than buildings	119,953	1,645,726	-	2,433,480
Equipment	-	-	-	10,610
Total expenditures	119,953	1,675,523	523,958	9,424,913
Excess (deficiency) of revenues over (under) expenditures	(119,953)	3,908,400	(523,958)	(4,688,226)
Other financing sources (uses):				
Operating transfers in	-	-	240,000	15,465,319
Operating transfers out	-	(780,000)	-	-
Operating transfers out to Component Units:				
Proceeds from sale of bonds	-	-	-	-
Other	-	-	-	(2,752,526)
Proceeds from sale of County general obligations bonds	-	-	-	-
Total other financing sources (uses)	-	(780,000)	240,000	12,712,793
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(119,953)	3,128,400	(283,958)	8,024,567
Fund balances (deficit), July 1, 2000	2,535,832	24,027,456	2,197,197	12,666,178
Fund balances, June 30, 2001	\$ 2,415,879	27,155,856	1,913,239	20,690,745

See accompanying notes to financial statements.

Primary and Secondary Road Bond Construction	Northern Virginia Regional Park Authority	Sidewalk Construction	Public Works Construction	Metro Operations and Construction	Total other funds	Total all funds
218,873	-	1,300,000	2,572,777	-	2,725,742	11,359,722
-	-	-	-	-	1,205,928	4,974,529
-	-	-	-	-	43,846	1,876,470
-	-	-	262,927	-	2,165,134	2,430,361
2,789	-	170	595	-	23,199	201,508
221,662	-	1,300,170	2,836,299	-	6,163,849	20,842,590
-	-	-	-	18,327,687	149	21,253,772
-	2,250,000	-	-	-	-	2,250,000
9,903	-	-	-	-	68,900	86,689
628,016	-	82,576	60,938	-	1,009,417	3,400,982
-	-	-	-	-	11,507,934	14,488,655
6,023,585	-	1,707,086	3,098,522	-	9,338,248	24,366,600
-	-	-	-	-	-	10,610
6,661,504	2,250,000	1,789,662	3,159,460	18,327,687	21,924,648	65,857,308
(6,439,842)	(2,250,000)	(489,492)	(323,161)	(18,327,687)	(15,760,799)	(45,014,718)
1,203,277	-	800,000	903,724	12,673,283	4,163,404	35,449,007
-	-	-	-	(1,205,704)	-	(1,985,704)
-	-	-	-	-	(135,623,305)	(135,623,305)
-	-	-	-	-	-	(2,752,526)
11,000,000	2,250,000	-	-	13,000,000	148,423,305	174,673,305
12,203,277	2,250,000	800,000	903,724	24,467,579	16,963,404	69,760,777
5,763,435	-	310,508	580,563	6,139,892	1,202,605	24,746,059
7,521,091	-	4,411,474	9,610,580	2,938,448	13,538,975	79,447,231
13,284,526	-	4,721,982	10,191,143	9,078,340	14,741,580	104,193,290

continued

COUNTY OF FAIRFAX, VIRGINIA
CAPITAL PROJECTS FUNDS
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Funds
For the fiscal year ended June 30, 2001

	Storm Drainage Bond Construction	County Bond Construction	Public Safety Construction	Trail Construction
Revenues:				
Intergovernmental	\$ -	1,694,948	-	-
Developers' contributions	-	-	1,105,812	-
Revenue from the use of money and property	-	-	-	-
Recovered costs	-	98,155	-	-
Other	-	1,225	2,785	109
Total revenues	-	1,794,328	1,108,597	109
Expenditures:				
Current:				
Community development	-	-	-	-
Parks, recreation and cultural	-	-	-	-
Capital outlay:				
Bond issuance costs	-	60,235	4,951	-
Land	8,289	2,369	50,947	128
Buildings	-	2,355,333	8,542,696	-
Improvements other than buildings	120,035	2,530,169	1,895,226	129,224
Equipment	-	-	-	-
Total expenditures	128,324	4,948,106	10,493,820	129,352
Excess (deficiency) of revenues over (under) expenditures	(128,324)	(3,153,778)	(9,385,223)	(129,243)
Other financing sources (uses):				
Operating transfers in	-	1,130,000	-	150,000
Operating transfers out	-	-	-	-
Operating transfers out to Component Units:				
Proceeds from sale of bonds	-	(135,623,305)	-	-
Other	-	-	-	-
Proceeds from sale of County general obligations bonds	-	135,623,305	11,000,000	-
Total other financing sources (uses)	-	1,130,000	11,000,000	150,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(128,324)	(2,023,778)	1,614,777	20,757
Fund balances (deficit), July 1, 2000	276,024	10,725,512	27,189	344,853
Fund balances, June 30, 2001	\$ 147,700	8,701,734	1,641,966	365,610

See accompanying notes to financial statements.

Exhibit E-1
continued

Neighborhood Improvement	Commercial Revitalization Program	Pro Rata Drainage Construction	Housing Assistance Program	Housing General Obligation Bond Construction	Total other funds
-	100,794	-	930,000	-	2,725,742
-	-	100,116	-	-	1,205,928
43,846	-	-	-	-	43,846
-	-	2,066,979	-	-	2,165,134
464	-	178	18,438	-	23,199
44,310	100,794	2,167,273	948,438	-	6,163,849
-	-	-	149	-	149
-	-	-	-	-	-
1,857	1,857	-	-	-	68,900
-	324,714	608,139	14,831	-	1,009,417
-	-	-	609,905	-	11,507,934
2,660,324	362,693	1,558,956	67,581	14,040	9,338,248
-	-	-	-	-	-
2,662,181	689,264	2,167,095	692,466	14,040	21,924,648
(2,617,871)	(588,470)	178	255,972	(14,040)	(15,760,799)
-	-	-	2,883,404	-	4,163,404
-	-	-	-	-	-
-	-	-	-	-	(135,623,305)
-	-	-	-	-	-
1,800,000	-	-	-	-	148,423,305
1,800,000	-	-	2,883,404	-	16,963,404
(817,871)	(588,470)	178	3,139,376	(14,040)	1,202,605
1,047,884	1,109,509	2,794	(95,041)	100,251	13,538,975
230,013	521,039	2,972	3,044,335	86,211	14,741,580

THE ENTERPRISE FUND is used to account for operations financed and operated in a manner similar to the private sector. The County's enterprise fund is comprised of the Integrated Sewer System (System) which is responsible for the construction, maintenance, and operation of the county-wide sewer system. Costs of providing sewer services to the County citizenry are financed or recovered primarily from user charges. The major source of revenue is sales to existing customers for continuing sewer service. The System also receives availability fees charged to new customers for initial access to the System.

COUNTY OF FAIRFAX, VIRGINIA
ENTERPRISE FUND
INTEGRATED SEWER SYSTEM
Balance Sheet
June 30, 2001

Exhibit F

Assets

Current assets:

Equity in pooled cash and temporary investments	\$ 84,946,893
Investments	15,979,475
Accrued interest receivable	110,718
Due from intergovernmental units (net of allowance)	19,187,626
Inventories and other	564,427
Total current assets	120,789,139

Restricted assets:

Equity in pooled cash and temporary investments	162,874,811
Investments	23,780,737
Total restricted assets	186,655,548

Fixed assets:

Land	17,383,765
Buildings and improvements	728,560,489
Equipment	7,986,091
Construction in progress	100,995,040
Accumulated depreciation:	
Purchased fixed assets	(119,039,436)
Donated fixed assets	(162,284,860)
Total fixed assets, net	573,601,089

Other noncurrent assets:

Investment in obligations of authorities of the Commonwealth of Virginia	700,000
Purchased capacity (net of accumulated amortization)	183,709,193
Miscellaneous noncurrent assets (net of accumulated amortization)	1,203,042
Total other noncurrent assets	185,612,235

Total assets \$ 1,066,658,011

Liabilities and fund equity

Current liabilities:

Accounts payable and accrued liabilities	\$ 6,880,102
Contracts payable	7,395,198
Interfund payables	126,192
Revenue bonds payable	4,819,642
Total current liabilities	19,221,134

Long-term liabilities:

Revenue bonds payable, net of current portion	200,990,358
Bond discount (net of amortization)	(989,728)
Total long-term liabilities	200,000,630

Total liabilities 219,221,764

Fund equity:

Contributed capital	174,009,136
Retained earnings:	
Reserved for sewer improvements, bond debt service and nitrification facilities	186,655,548
Unreserved	486,771,563
Total fund equity	847,436,247

Total liabilities and fund equity \$ 1,066,658,011

See accompanying notes to financial statements.

ENTERPRISE FUND**INTEGRATED SEWER SYSTEM****Statement of Revenues, Expenses and Changes in Retained Earnings**

For the fiscal year ended June 30, 2001

Operating revenues:

Sales of services	\$ 76,562,614
Availability fees	29,238,219
Other	357,405

Total operating revenues	106,158,238
--------------------------	-------------

Operating expenses:

Personnel services	17,599,191
Materials and supplies	9,895,363
Depreciation and amortization	22,252,284
Professional consultant and contractual services	49,193,886

Total operating expenses	98,940,724
--------------------------	------------

Operating income	7,217,514
------------------	-----------

Nonoperating revenues (expenses):

Intergovernmental revenue	1,755,137
Interest revenue	16,692,076
Interest expense	(9,356,258)
Gain on disposal of fixed assets	54,668

Total nonoperating revenues (expenses)	9,145,623
----------------------------------------	-----------

Net income	16,363,137
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Add back of depreciation expense related to contributed assets	9,709,340
----------------------------------------------------------------	-----------

Net increase in retained earnings	26,072,477
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Retained earnings, July 1, 2000	647,354,634
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Retained earnings, June 30, 2001	\$ 673,427,111
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See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
ENTERPRISE FUND
INTEGRATED SEWER SYSTEM
Statement of Cash Flows
For the fiscal year ended June 30, 2001

Exhibit F-2

Cash flows from operating activities:

Operating income	\$ 7,217,514
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	22,252,284
Changes in operating assets and liabilities:	
Decrease in intergovernmental receivables	(1,422,073)
(Increase) in inventories of supplies	38,440
(Decrease) in accounts payable and accrued liabilities (net of interest)	(529,566)
Increase in contracts payable	(931,766)
Total adjustments to operating income	19,407,319
Net cash provided by operating activities	26,624,833

Cash flows from capital and related financing activities:

Intergovernmental revenue received	1,755,137
Principal payments on sewer revenue bonds	(4,050,000)
Interest payments on sewer revenue bonds	(9,406,135)
Proceeds from issuance of sewer revenue bond	40,000,000
Proceeds from sale of fixed assets	79,950
Purchase of fixed assets	(25,458,197)
Acquisition of purchased capacity	(64,614,986)
Net cash (used for) capital and related financing activities	(61,694,231)

Cash flows from investing activities:

Withdrawals from restricted investments	167,282
Investment in obligations of authorities of the Commonwealth of Virginia	(2,831,000)
Interest received	16,268,091
Net cash provided by investing activities	13,604,373

Net decrease in cash and cash equivalents	(21,465,025)
Cash and cash equivalents, July 1, 2000	269,286,729
Cash and cash equivalents, June 30, 2001	\$ 247,821,704

Capital contributions and donations of property, plant and equipment amounted to \$394,327.

See accompanying notes to financial statements.

THE INTERNAL SERVICE FUNDS are used to account for the financing of goods or services provided by a department to another department on a cost reimbursement basis.

CENTRAL STORES FUND is used to account for the acquisition and issuance of office supplies and maintenance items to various agencies.

VEHICLE SERVICES FUND is used to account for the acquisition of certain motor vehicles and the costs associated with the operation thereof by the reporting entity.

SELF-INSURANCE FUND is used to account for the costs associated with meeting the County's casualty liability obligations, including the provision of worker's compensation benefits in the form of medical and disability payments to County employees who sustain occupational injuries. This fund utilizes claims and insurance management, rehabilitation, safety programs and risk administration to minimize risk and loss potential.

DOCUMENT SERVICES FUND is used to account for the costs associated with providing printing, copying, and micrographic services to various agencies of the reporting entity.

TECHNOLOGY INFRASTRUCTURE SERVICES FUND is used to account for the costs associated with data center and network service activities, 24 hours a day and seven days per week, provided to County agencies through the operation and maintenance of the mainframe computer, data communications equipment, and radio networks.

HEALTH BENEFITS FUND is used to account for the provision of a comprehensive health insurance benefits program to County employees.

RETIREE HEALTH BENEFITS FUND is used to account for subsidy payments of \$100 per month to eligible retirees of the County to help pay for health insurance.

COUNTY OF FAIRFAX, VIRGINIA
INTERNAL SERVICE FUNDS
Combining Balance Sheet
June 30, 2001

	Central Stores	Vehicle Services	Self- insurance
Assets			
Current assets:			
Equity in pooled cash and temporary investments	\$ -	19,625,172	29,776,275
Accrued interest receivable	-	-	14,759
Accounts receivable	-	-	-
Interfund receivables	-	-	-
Inventories of supplies	778,483	1,579,825	-
Prepaid items and other assets	-	-	187,434
Total current assets	778,483	21,204,997	29,978,468
Fixed assets:			
Land	-	1,776,483	-
Buildings and improvements	-	14,728,508	-
Equipment	-	34,719,259	-
Accumulated depreciation	-	(26,459,279)	-
Total fixed assets, net	-	24,764,971	-
Total assets	\$ 778,483	45,969,968	29,978,468
Liabilities and fund equity			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 75,347	3,797,837	144,262
Obligations for claims	-	-	18,804,558
Interfund payables	482,311	95,625	3,953
Total liabilities	557,658	3,893,462	18,952,773
Fund equity:			
Contributed capital	612,573	17,760,585	3,486
Retained earnings (deficit)	(391,748)	24,315,921	11,022,209
Total fund equity	220,825	42,076,506	11,025,695
Total liabilities and fund equity	\$ 778,483	45,969,968	29,978,468

See accompanying notes to financial statements.

Exhibit G

Document Services	Technology Infrastructure Services	Health Benefits	Retiree Health Benefits	Total all funds
2,324,235	10,244,871	9,105,129	234,011	71,309,693
-	-	5,511	-	20,270
10,716	2,587	-	-	13,303
-	-	220,801	-	220,801
21,690	136,659	-	-	2,516,657
-	703	-	-	188,137
2,356,641	10,384,820	9,331,441	234,011	74,268,861
-	-	-	-	1,776,483
-	873,642	-	-	15,602,150
608,109	8,765,692	-	-	44,093,060
(592,304)	(7,616,386)	-	-	(34,667,969)
15,805	2,022,948	-	-	26,803,724
2,372,446	12,407,768	9,331,441	234,011	101,072,585
554,755	1,133,318	7,556	2,154	5,715,229
-	-	4,192,144	-	22,996,702
5,778	24,717	-	547	612,931
560,533	1,158,035	4,199,700	2,701	29,324,862
461,920	1,511,296	-	46,836	20,396,696
1,349,993	9,738,437	5,131,741	184,474	51,351,027
1,811,913	11,249,733	5,131,741	231,310	71,747,723
2,372,446	12,407,768	9,331,441	234,011	101,072,585

COUNTY OF FAIRFAX, VIRGINIA

INTERNAL SERVICE FUNDS

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets (Deficit)

For the fiscal year ended June 30, 2001

	Central Stores	Vehicle Services	Self- insurance
Operating revenues:			
Charges to other funds	\$ 1,365,601	41,485,733	7,902,111
Other	-	237,658	-
Total operating revenues	1,365,601	41,723,391	7,902,111
Operating expenses:			
Personnel services	-	12,802,432	690,222
Materials and supplies	1,432,656	-	-
Equipment operation and maintenance	-	22,171,204	-
Risk financing and benefit payments	-	-	10,103,321
Depreciation	-	5,484,113	-
Professional consultant and contractual services	-	146,465	88,889
Other	-	-	-
Total operating expenses	1,432,656	40,604,214	10,882,432
Operating income (loss)	(67,055)	1,119,177	(2,980,321)
Nonoperating revenues (expenses):			
Interest revenue	-	-	1,599,420
Interest expense	-	-	-
Gain (loss) on fixed asset disposals	-	523,988	-
Total nonoperating revenues (expenses)	-	523,988	1,599,420
Income (loss) before operating transfers	(67,055)	1,643,165	(1,380,901)
Operating transfers in	-	-	-
Operating transfers out to Component Units	-	(1,980,412)	-
Net income (loss)	(67,055)	(337,247)	(1,380,901)
Retained earnings (deficit), July 1, 2000	(324,693)	24,653,168	12,403,110
Retained earnings (deficit), June 30, 2001	\$ (391,748)	24,315,921	11,022,209

See accompanying notes to financial statements.

Exhibit G-1

Document	Technology Infrastructure Services	Health Benefits	Retiree Health Benefits	Total all funds
4,643,289	17,010,392	38,734,658	-	111,141,784
-	-	-	-	237,658
4,643,289	17,010,392	38,734,658	-	111,379,442
843,564	4,012,271	-	54,558	18,403,047
1,054,011	390,383	-	-	2,877,050
2,781,801	4,954,755	-	-	29,907,760
-	-	37,516,879	1,844,785	49,464,985
67,241	1,332,161	-	-	6,883,515
2,300,303	1,889,554	-	-	4,425,211
228	572,570	51,813	-	624,611
7,047,148	13,151,694	37,568,692	1,899,343	112,586,179
(2,403,859)	3,858,698	1,165,966	(1,899,343)	(1,206,737)
-	-	551,611	-	2,151,031
-	(2,152)	-	-	(2,152)
(113,873)	(368,684)	-	-	41,431
(113,873)	(370,836)	551,611	-	2,190,310
(2,517,732)	3,487,862	1,717,577	(1,899,343)	983,573
2,900,000	-	-	1,896,000	4,796,000
-	-	-	-	(1,980,412)
382,268	3,487,862	1,717,577	(3,343)	3,799,161
967,725	6,250,575	3,414,164	187,817	47,551,866
1,349,993	9,738,437	5,131,741	184,474	51,351,027

COUNTY OF FAIRFAX, VIRGINIA
INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2001

	Central Stores	Vehicle Services (1)	Self- insurance
Cash flows from operating activities:			
Operating income (loss)	\$ (67,055)	1,119,177	(2,980,321)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	5,484,113	-
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) in interfund receivables	-	-	-
(Increase) decrease in inventories of supplies	13,753	(202,705)	-
Decrease in prepaid items and other assets	-	-	231
Increase (decrease) in accounts payable and accrued liabilities, net of interest	30,727	202,814	2,698,505
Increase (decrease) in interfund payables	22,575	45,155	399
Total adjustments to operating income (loss)	67,055	5,529,377	2,699,135
Net cash provided (used) by operating activities	-	6,648,554	(281,186)
Cash flows from non-capital financing activities:			
Transfers from other funds	-	-	-
Net cash provided by non-capital financing activities	-	-	-
Cash flows from capital and related financing activities:			
Principal payments on capital leases and installment purchases	-	-	-
Interest payments on capital leases and installment purchases	-	-	-
Proceeds from sale of fixed assets	-	815,136	-
Purchase of fixed assets	-	(8,558,540)	-
Net cash (used) by capital and related financing activities	-	(7,743,404)	-
Cash flows from investing activities:			
Interest received	-	-	1,643,864
Net cash provided by investing activities	-	-	1,643,864
Net increase (decrease) in cash and cash equivalents	-	(1,094,850)	1,362,678
Cash and cash equivalents, July 1, 2000	-	20,720,022	28,413,597
Cash and cash equivalents, June 30, 2001	\$ -	19,625,172	29,776,275

(1) Certain fixed asset transfers from the County to Public Schools totaled \$1,980,412.
See accompanying notes to financial statements.

Exhibit G-2

Document Services	Technology Infrastructure Services	Health Benefits	Retiree Health Benefits	Total all funds
(2,403,859)	3,858,698	1,165,966	(1,899,343)	(1,206,737)
67,241	1,332,161	-	-	6,883,515
(2,621)	1,340	-	-	(1,281)
-	-	(219,699)	-	(219,699)
(287)	(23,702)	-	-	(212,941)
-	(623)	-	-	(392)
283,392	(61,110)	740,507	194	3,895,029
2,441	7,892	-	286	78,748
350,166	1,255,958	520,808	480	10,422,979
(2,053,693)	5,114,656	1,686,774	(1,898,863)	9,216,242
2,900,000	-	-	1,896,000	4,796,000
2,900,000	-	-	1,896,000	4,796,000
-	(673,007)	-	-	(673,007)
-	(2,152)	-	-	(2,152)
-	4,722	-	-	819,858
-	(798,049)	-	-	(9,356,589)
-	(1,468,486)	-	-	(9,211,890)
-	-	564,826	-	2,208,690
-	-	564,826	-	2,208,690
846,307	3,646,170	2,251,600	(2,863)	7,009,042
1,477,928	6,598,701	6,853,529	236,874	64,300,651
2,324,235	10,244,871	9,105,129	234,011	71,309,693

THE TRUST AND AGENCY FUNDS are used to account for assets held by the County in a trustee or agency capacity. Trust funds account for assets held by the County under the terms of a formal trust agreement and include the pension trust funds. Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County for various governmental agencies and other organizations.

THE PENSION TRUST FUNDS are comprised of the following:

FAIRFAX COUNTY RETIREMENT FUNDS are used to account for employee retirement systems that provide pension benefits for various classes of County employees. The County maintains three employee retirement funds – the Uniformed Retirement Fund, Employees' Retirement Fund, and the Police Officers Retirement Fund.

THE AGENCY FUNDS are comprised of the following:

SANITARY REIMBURSEMENT FUND is used to account for the collection of contributions from beneficiary developers toward the construction of major sewer lines and the reimbursement of these funds to the primary developers.

SPECIAL WELFARE FUND is used to account for regular assistance payments to recipients in the Aid to Dependent Children Program. These funds include donations from individuals, organizations and churches.

RESOURCE RECOVERY FUND is used to account for financial activity related to the revenue bonds issued to finance the construction of the mass burn facility located near Interstate 95. This is a fund of the Fairfax County Solid Waste Authority, a blended component unit.

VIENNA/HUNTINGTON METRORAIL FUND is used to account for financial activity relative to the construction and operation of parking facilities at the Vienna and Huntington Metrorail Stations in accordance with the Revenue Bond Trust Agreement.

STATE TAXES FUND is used for the collection of sheriff's fees and the subsequent remittances to the Commonwealth of Virginia.

OTHER FUNDS include the following: Lake Barcroft Watershed Fund, Route 28 Taxing District Fund, Northern Virginia Regional Identification System Fund and the Gift Fund.

COUNTY OF FAIRFAX, VIRGINIA
TRUST AND AGENCY FUNDS
Combining Balance Sheet
June 30, 2001

		Agency Funds		
	Pension Trust Funds	Sanitary Reimbursement	Special Welfare	Resource Recovery
Assets				
Equity in pooled cash and temporary investments	\$ 13,436,817	1,428,850	661,070	-
Cash collateral for securities lending	216,773,609	-	-	-
Investments	3,224,645,070	-	-	32,211,415
Accrued interest receivable	11,853,309	734	200	-
Accounts receivable	-	-	-	-
Receivable from sale of pension investments	85,178,498	-	-	-
Due from intergovernmental units	-	-	31,546	-
Equipment	-	-	-	-
Total assets	\$ 3,551,887,303	1,429,584	692,816	32,211,415
Liabilities and fund balances				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,377,671	616	692,816	-
Payable for purchase of pension investments	270,140,350	-	-	-
Liabilities for collateral received under securities lending agreements	216,773,609	-	-	-
Liabilities under reimbursement agreements	-	1,428,968	-	32,211,415
Interfund payable	47,342	-	-	-
Obligations under capital lease and installment purchases	-	-	-	-
Total liabilities	490,338,972	1,429,584	692,816	32,211,415
Fund balances:				
Reserved for employees' pension benefits	3,061,548,331	-	-	-
Total fund balances	3,061,548,331	-	-	-
Total liabilities and fund balances	\$ 3,551,887,303	1,429,584	692,816	32,211,415

See accompanying notes to financial statements.

Exhibit H

Vienna/ Huntington Metrorail	State Taxes	Other funds	Total all funds
-	6,356	2,102,384	17,635,477
-	-	-	216,773,609
9,651,129	-	-	3,266,507,614
-	-	1,062	11,855,305
-	-	23,728	23,728
-	-	-	85,178,498
-	-	-	31,546
-	-	1,857,640	1,857,640
9,651,129	6,356	3,984,814	3,599,863,417
63,627	6,356	2,559,121	6,700,207
-	-	-	270,140,350
-	-	-	216,773,609
9,587,502	-	-	43,227,885
-	-	-	47,342
-	-	1,425,693	1,425,693
9,651,129	6,356	3,984,814	538,315,086
-	-	-	3,061,548,331
-	-	-	3,061,548,331
9,651,129	6,356	3,984,814	3,599,863,417

AGENCY FUNDS**Combining Statement of Changes in Assets and Liabilities**

For the year fiscal year ended June 30, 2001

	Balances June 30, 2000	Additions	Deductions	Balances June 30, 2001
Sanitary Reimbursement:				
Assets:				
Equity in pooled cash and temporary investments	\$ 1,143,370	834,492	549,012	1,428,850
Accrued interest receivable	2,331	734	2,331	734
Total assets	1,145,701	835,226	551,343	1,429,584
Liabilities:				
Accounts payable	220	616	220	616
Liabilities under reimbursement agreements	1,145,481	744,959	461,472	1,428,968
Total liabilities	\$ 1,145,701	745,575	461,692	1,429,584
Special Welfare:				
Assets:				
Equity in pooled cash and temporary investments	\$ 712,763	1,704,941	1,756,634	661,070
Accrued interest receivable	-	200	-	200
Due from intergovernmental units	-	293,121	261,575	31,546
Total assets	712,763	1,998,262	2,018,209	692,816
Liabilities:				
Accounts payable	712,763	1,245,860	1,265,807	692,816
Total liabilities	\$ 712,763	1,245,860	1,265,807	692,816
Resource Recovery:				
Assets:				
Cash with fiscal agents	\$ 13	201,809,566	201,809,579	-
Investments	35,414,139	174,358,606	177,561,330	32,211,415
Total assets	35,414,152	376,168,172	379,370,909	32,211,415
Liabilities:				
Liabilities under reimbursement agreements	35,414,152	20,896,552	24,099,289	32,211,415
Total liabilities	\$ 35,414,152	20,896,552	24,099,289	32,211,415
Vienna/Huntington Metrorail:				
Assets:				
Cash with fiscal agents	\$ -	44,014,879	44,014,879	-
Investments	26,146,144	23,688,703	40,183,718	9,651,129
Total assets	26,146,144	67,703,582	84,198,597	9,651,129
Liabilities:				
Accounts payable	63,627	-	-	63,627
Liabilities under reimbursement agreements	26,082,517	3,313,506	19,808,521	9,587,502
Total liabilities	\$ 26,146,144	3,313,506	19,808,521	9,651,129

AGENCY FUNDS

continued

Combining Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 2001

	Balances June 30, 2000	Additions	Deductions	Balances June 30, 2001
State Taxes:				
Assets:				
Equity in pooled cash and temporary investments	\$ 23,384	945,791	962,819	6,356
Total assets	23,384	945,791	962,819	6,356
Liabilities:				
Accounts payable	23,384	945,791	962,819	6,356
Total liabilities	\$ 23,384	945,791	962,819	6,356
Other Funds:				
Assets:				
Equity in pooled cash and temporary investments	\$ 1,813,320	7,603,206	7,314,142	2,102,384
Accrued interest receivable	3,899	1,062	3,899	1,062
Accounts receivable	54,313	5,897,263	5,927,848	23,728
Equipment	1,546,000	311,640	-	1,857,640
Total assets	3,417,532	13,813,171	13,245,889	3,984,814
Liabilities:				
Accounts payable	2,014,532	14,245,618	13,701,029	2,559,121
Obligations under capital lease and installment purchases	1,403,000	192,303	169,610	1,425,693
Total liabilities	\$ 3,417,532	14,437,921	13,870,639	3,984,814
Totals - All Agency Funds:				
Assets:				
Equity in pooled cash and temporary investments	\$ 3,692,837	11,088,430	10,582,607	4,198,660
Cash with fiscal agent	13	245,824,445	245,824,458	-
Investments	61,560,283	198,047,309	217,745,048	41,862,544
Accrued interest receivable	6,230	1,996	6,230	1,996
Accounts receivable	54,313	5,897,263	5,927,848	23,728
Due from intergovernmental units	-	293,121	261,575	31,546
Equipment	1,546,000	311,640	-	1,857,640
Total assets	66,859,676	461,464,204	480,347,766	47,976,114
Liabilities:				
Accounts payable	2,814,526	16,437,885	15,929,875	3,322,536
Liabilities under reimbursement agreements	62,642,150	24,955,017	44,369,282	43,227,885
Obligations under capital lease and installment purchases	1,403,000	192,303	169,610	1,425,693
Total liabilities	\$ 66,859,676	41,585,205	60,468,767	47,976,114

See accompanying notes to financial statements.

General Fixed Assets Account Group

THE GENERAL FIXED ASSETS ACCOUNT GROUP is used to account for those assets that have been acquired for general governmental purposes and are not accounted for by specific proprietary or trust funds. The costs of such assets are recorded as expenditures in the general, special revenue, and capital projects funds. The assets are capitalized in the general fixed assets account group at historical cost, if available, or otherwise at estimated historical cost. Depreciation is not recorded on general fixed assets. The County does not capitalize public domain or infrastructure fixed assets, including roads, bridges, curbs, gutters, streets, sidewalks, trails, storm drains and street lights. Donated fixed assets are recorded at fair market value as of the date of donation.

COUNTY OF FAIRFAX, VIRGINIA
GENERAL FIXED ASSETS ACCOUNT GROUP
Schedule of General Fixed Assets by Function and Activity
June 30, 2001

Exhibit I

Function and Activity	Land	Buildings	Improvements	Equipment	Total
General government administration:					
Legislative	\$ 116,188,478	71,421,421	5,276,891	-	192,886,790
General and financial administration	27,052,729	123,727,167	2,016,975	25,401,700	178,198,571
Board of Elections	-	-	-	111,805	111,805
Total general government administration	143,241,207	195,148,588	7,293,866	25,513,505	371,197,166
Judicial administration:					
Courts	-	193,555	-	1,188,179	1,381,734
Commonwealth's Attorney	61,298	39,322,854	131,052	1,069,471	40,584,675
Total judicial administration	61,298	39,516,409	131,052	2,257,650	41,966,409
Public safety:					
Law enforcement	425,806	91,763,410	1,356,239	11,531,570	105,077,025
Fire and rescue services	2,757,247	40,228,097	1,572,469	27,811,954	72,369,767
Correction and detention	-	-	-	60,601	60,601
Inspections	-	5,377	-	1,068,789	1,074,166
Other protection	-	390,055	1,413,564	2,289,514	4,093,133
Total public safety	3,183,053	132,386,939	4,342,272	42,762,428	182,674,692
Public works:					
Maintenance of streets, roads and bridges	-	124,178,048	6,979,290	2,358,755	133,516,093
Sanitation and waste removal	-	5,667,290	2,743,454	22,100,062	30,510,806
Maintenance of buildings and grounds	28,000	4,733,650	1,274,154	3,007,045	9,042,849
Total public works	28,000	134,578,988	10,996,898	27,465,862	173,069,748
Health and welfare:					
Health	2,025,984	54,085,219	163,478	959,731	57,234,412
Mental health and mental retardation	496,127	3,326,796	290,400	589,238	4,702,561
Welfare/Social services	-	2,469,359	274,599	7,125,802	9,869,760
Total health and welfare	2,522,111	59,881,374	728,477	8,674,771	71,806,733
Community development:					
Planning and community development	8,432,480	4,207,544	39,498,425	32,872,473	85,010,922
Environmental management	-	-	-	186,436	186,436
Cooperative extension program	-	-	1,299,107	-	1,299,107
Total community development	8,432,480	4,207,544	40,797,532	33,058,909	86,496,465
Parks, recreation and cultural:					
Parks and recreation	440,325	6,766,305	13,251,093	1,525,002	21,982,725
Library	1,593,924	44,050,108	2,561,055	771,808	48,976,895
Total parks, recreation and cultural	2,034,249	50,816,413	15,812,148	2,296,810	70,959,620
Total general fixed assets allocated to functions	159,502,398	616,536,255	80,102,245	142,029,935	998,170,833
Construction in progress					129,223,841
Total general fixed assets	\$ 159,502,398	616,536,255	80,102,245	142,029,935	1,127,394,674

See accompanying notes to financial statements.

GENERAL FIXED ASSETS ACCOUNT GROUP**Schedule of General Fixed Assets by Function and Activity**

June 30, 2001

Function and Activity	General Fixed Assets July 1, 2000, as restated *	Additions and Transfers	Deletions and Transfers	General Fixed Assets June 30, 2001
General government administration:				
Legislative	\$ 188,789,443	33,106,299	29,008,952	192,886,790
General and financial administration	177,911,959	1,897,844	1,611,232	178,198,571
Board of Elections	111,805	-	-	111,805
Total general government administration	366,813,207	35,004,143	30,620,184	371,197,166
Judicial administration:				
Courts	1,257,150	213,574	88,990	1,381,734
Commonwealth's Attorney	40,778,521	18,556,386	18,750,232	40,584,675
Total judicial administration	42,035,671	18,769,960	18,839,222	41,966,409
Public safety:				
Law enforcement	96,281,325	14,437,098	5,641,398	105,077,025
Fire and rescue services	65,761,868	7,642,182	1,034,283	72,369,767
Correction and detention	64,083	15,142	18,624	60,601
Inspections	215,301	1,068,789	209,924	1,074,166
Other protection	3,836,711	414,003	157,581	4,093,133
Total public safety	166,159,288	23,577,214	7,061,810	182,674,692
Public works:				
Maintenance of streets, roads and bridges	133,348,556	16,783,252	16,615,715	133,516,093
Sanitation and waste removal	30,339,204	31,182,947	31,011,345	30,510,806
Maintenance of buildings and grounds	8,888,461	3,979,056	3,824,668	9,042,849
Total public works	172,576,221	51,945,255	51,451,728	173,069,748
Health and welfare:				
Health	57,174,245	28,597,536	28,537,369	57,234,412
Mental health and mental retardation	4,413,643	330,578	41,660	4,702,561
Welfare / Social services	9,299,680	1,135,793	565,713	9,869,760
Total health and welfare	70,887,568	30,063,907	29,144,742	71,806,733
Community development:				
Planning and community development	73,981,804	17,725,982	6,696,864	85,010,922
Environmental management	118,949	186,436	118,949	186,436
Cooperative extension program	1,299,107	-	-	1,299,107
Total community development	75,399,860	17,912,418	6,815,813	86,496,465
Parks, recreation and cultural:				
Parks and recreation	21,961,244	271,427	249,946	21,982,725
Library	45,247,095	26,318,809	22,589,009	48,976,895
Total parks, recreation and cultural	67,208,339	26,590,236	22,838,955	70,959,620
Total general fixed assets allocated to functions	961,080,154	203,863,133	166,772,454	998,170,833
Construction in progress	98,746,487	34,183,978	3,706,624	129,223,841
Total general fixed assets	\$ 1,059,826,641	238,047,111	170,479,078	1,127,394,674

See accompanying notes to financial statements.

* During fiscal year 2001, it was determined that certain fixed assets were not being reported in the most appropriate function and/or activity. Accordingly, these fixed assets have been reclassified as of July 1, 2000.

COUNTY OF FAIRFAX, VIRGINIA
GENERAL FIXED ASSETS ACCOUNT GROUP
Schedule of General Fixed Assets by Source
June 30, 2001

Exhibit I-2

General fixed assets:

Land	\$	159,502,398
Buildings and improvements		696,638,500
Equipment		142,029,935
Construction in progress		129,223,841
		<hr/>
Total general fixed assets	\$	1,127,394,674

Investments in general fixed assets by source:

General fund	\$	446,851,646
Special revenue funds		88,907,889
Capital projects funds		562,196,116
Gifts and donations		29,439,023
		<hr/>
Total investments in general fixed assets	\$	1,127,394,674

See accompanying notes to financial statements.

General Long-Term Obligations Account Group

THE GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP is used to account for the County's unmatured long-term debt that is not recorded as a specific fund liability of the proprietary funds and certain other liabilities that are not expected to be liquidated with expendable available financial resources. Included are the general obligation bonds, the lease revenue bonds, the special assessment debt, long-term payables to component units, accrued compensated absences, obligations under capital leases and installment purchase agreements, the sanitary landfill closure obligation, and the estimated liability for claims and judgments.

COUNTY OF FAIRFAX, VIRGINIA
GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP
Schedule of General Long-Term Obligations
June 30, 2001

Exhibit J

**Amounts available and to be provided for the
payment of general long-term obligations**

Amount available in debt service funds	\$	4,078,555
Amount to be provided for the retirement of general long-term obligations		1,690,085,794
Amount to be provided from special assessments		600,000
Total available and to be provided	\$	1,694,764,349

General long-term obligations

Compensated absences payable	\$	57,441,561
Obligations for claims and judgments		1,419,000
Due to Component Units		8,106,820
General obligation bonds payable:		
General County		610,603,722
Public Schools		831,083,803
Special assessment debt with governmental commitment		600,000
Lease revenue bonds payable		110,485,000
Obligations under capital leases and installment purchases		22,913,563
Sanitary landfill closure obligation		52,110,880
Total general long-term obligations	\$	1,694,764,349

See accompanying notes to financial statements.

THE COMPONENT UNITS are discretely presented entities that are legally separate from the County, but for which the County is financially accountable, or whose relationships with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

FAIRFAX COUNTY PUBLIC SCHOOLS (Public Schools) is a corporate body operating under the constitution of Virginia and the Code of Virginia. The twelve members of the School Board were elected on November 7, 1995, by County citizens to serve four-year terms beginning January 1, 1996. One member represents each of the County's nine magisterial (election) districts and three members serve at large. Also serving on the School Board is one non-voting student who was elected through the student government. The School Board is responsible for setting the educational policies of the Public Schools system and appoints a superintendent to implement the Board's policies. The mission of Public Schools is to provide programs to meet the educational needs of all students in the County in a safe learning environment. Public Schools receives funding from personal and real property taxes collected and allocated by the County, tuition and fees, and State and Federal aid. School construction projects are funded by the general obligation bonds approved by the Fairfax County Board of Supervisors and the County voters at large. The combined financial statements of Public Schools are prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. Public Schools is considered to be a component unit of the County (under GAAP) because the County Board of Supervisors provides significant funding to the Public School Board.

THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (FCRHA) administers the various housing and community development programs within Fairfax County. The FCRHA is a political subdivision of the Commonwealth of Virginia created pursuant to Chapter 1 of the Title 36 of the Code of Virginia, 1950, as amended, by resolution of the Fairfax County Board of Supervisors and approved in a referendum of County voters on November 2, 1965. On February 23, 1966, the Board of Supervisors declared FCRHA activated. The powers, duties and responsibilities of FCRHA are set forth in Title 36 of the Code of Virginia, 1950, as amended. FCRHA is considered to be a component unit of the County under GAAP because the County Board of Supervisors appoints FCRHA Board of Commissioners and the County provides certain managerial and other related assistance to FCRHA.

THE FAIRFAX COUNTY PARK AUTHORITY (Park Authority), through appropriations from Fairfax County and operating revenues, maintains and operates the public parks and facilities located in the County. The Park Authority was created by the Board of Supervisors on December 6, 1950, to continue in existence for 30 years unless the Board agrees to assume such obligations. On October 28, 1991, the Board extended the life of the Park Authority for a period of 30 years, until October 28, 2021. The Board appoints the Park Authority's Board members, and a substantial portion of the Park Authority's operations are financed by the County. Therefore, the Park Authority is considered a component unit of the County.

THE FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY (EDA) is an independent authority legally authorized by an enactment of the Virginia General Assembly and formally created by resolution of the Fairfax County Board of Supervisors. The EDA's mission is to extend the tax base of the County. EDA provides direct assistance to firms which intend to establish their operations within the County. The Convention and Visitor Bureau has been established to attract both business convention and transit trade to the County. The EDA is considered to be a component unit of the County under GAAP because the County Board of Supervisors appoints the seven members of EDA's Commission, which appoints EDA's Executive Director. The Board of Supervisors also appropriates funds annually for operating expenditures incurred in carrying out EDA's mission.

GOVERNMENTAL FUND TYPES:

THE GENERAL FUND is used to account for operating expenditures required to operate, maintain and support the Public School system programs. Its primary sources of revenue are Federal and State Aid and transfers from the County's general fund.

THE SPECIAL REVENUE FUNDS are comprised of the following:

FOOD AND NUTRITION SERVICES FUND is used to account for the procurement, preparation and serving of student breakfasts, snacks and lunches. Primary sources of revenues are Federal and State Aid and receipts derived from food sales.

GRANTS AND SELF-SUPPORTING PROGRAMS FUND is used to account for federal, state, non-profit, and private industry grants that support Instructional Services, Student Services, Special Education and Information Technology.

ADULT AND COMMUNITY EDUCATION FUND is used to account for programs pertaining to basic skills education, high school completion, english as a second language, apprenticeship and occupational skills instruction, family literacy, driver education, SAT preparation and business contracts.

THE CAPITAL PROJECTS FUND is used to account for facility renovation, expansion, design and construction of new schools authorized by voter referendum, as well as other capital expenditures. Projects in this fund are funded primarily by proceeds from the sale of County general obligation bonds.

PROPRIETARY FUND TYPES:

THE INTERNAL SERVICE FUNDS are comprised of the following:

CENTRAL PROCUREMENT FUND is used to account for the centrally procured orders of textbooks, supplies and equipment and their issuance to individual schools and offices.

HEALTH BENEFITS TRUST FUND is used to account for the provision of a comprehensive health insurance benefits program to Public Schools' employees.

INSURANCE FUND is used to account for the Public Schools' casualty liability obligations, including the provision of worker's compensation benefits in the form of medical and disability payments to Public Schools' employees who sustain occupational injuries.

FIDUCIARY FUND TYPE:

THE PENSION TRUST FUND is the **EDUCATIONAL EMPLOYEES' SUPPLEMENTARY RETIREMENT FUND**, which is used to account for the single-employer defined benefit pension plan covering employees of the Public Schools.

THE AGENCY FUNDS are comprised of the following:

STUDENT ACTIVITY FUND is used to account for the funds derived from various extracurricular school activities.

GIFT FUND is used to account for donations made to the Public Schools.

ACCOUNT GROUPS:

GENERAL FIXED ASSETS ACCOUNT GROUP is used to account for all fixed assets of the Public Schools.

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP is used to account for Public Schools' general long-term obligations related to compensated absences and capital leases.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
Combining Balance Sheet - All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Assets and other debits			
Assets:			
Equity in pooled cash and temporary investments	\$ 99,354,729	17,263,385	57,036,680
Cash with fiscal agents	-	-	-
Cash collateral for securities lending	-	-	-
Investments	-	-	-
Receivables (net of allowances):			
Accrued interest	-	50,813	-
Accounts	386,591	227,686	-
Receivable from sale of pension investments	-	-	-
Due from intergovernmental units	21,015,888	4,776,496	1,600,000
Due from Primary Government	8,222,228	110,106	-
Interfund receivables	2,300,000	-	-
Inventories of supplies	-	1,503,115	-
Prepaid Items and other assets	-	-	-
Fixed assets:			
Land	-	-	-
Buildings and improvements	-	-	-
Equipment	-	-	-
Construction in progress	-	-	-
Other debits:			
Amount to be provided for retirement of general long-term obligations	-	-	-
Total assets and other debits	\$ 131,279,436	23,931,601	58,636,680
Liabilities, fund equity and other credits			
Liabilities:			
Accounts payable and accrued liabilities	\$ 80,488,103	1,309,794	5,470,573
Payable for purchase of pension investments	-	-	-
Compensated absences payable	-	-	-
Obligations for claims	-	-	-
Contract retainages	-	-	7,455,592
Liability for collateral received under securities lending agreements	-	-	-
Liabilities under reimbursement agreements	-	-	-
Interfund payables	580,018	325,774	-
Deferred revenue	8,116,945	4,366,387	-
Deposits	-	-	20,000
Obligations under capital leases and installment purchases	-	-	-
Total liabilities	89,185,066	6,001,955	12,946,165
Fund equity and other credits:			
Investments in general fixed assets	-	-	-
Contributed capital	-	-	-
Retained earnings	-	-	-
Fund balances:			
Reserved for:			
Encumbrances	-	-	117,828,218
Inventories of supplies	-	1,503,115	-
Employees' pension benefits	-	-	-
Unreserved (deficit)	42,094,370	16,426,531	(72,137,703)
Total fund equity and other credits	42,094,370	17,929,646	45,690,515
Total liabilities, fund equity and other credits	\$ 131,279,436	23,931,601	58,636,680

See accompanying notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Types		Account Groups		
Internal Service	Pension Trust	Agency	General Fixed Assets	General Long-Term Obligations	Total
44,479,067	780,476	23,699	-	-	218,938,036
-	1,149,290	12,608,522	-	-	13,757,812
-	87,926,835	-	-	-	87,926,835
-	1,614,342,247	-	-	-	1,614,342,247
92,024	6,959,881	-	-	-	7,102,718
23,561	145,838	458,985	-	-	1,242,661
-	28,124,523	-	-	-	28,124,523
-	-	-	-	-	27,392,384
-	-	-	-	-	8,332,334
905,792	-	-	-	-	3,205,792
3,562,086	-	155,749	-	-	5,220,950
-	24,792	-	-	-	24,792
-	-	-	41,421,804	-	41,421,804
-	-	-	1,355,465,716	-	1,355,465,716
-	-	-	119,392,422	-	119,392,422
-	-	-	225,664,151	-	225,664,151
-	-	-	-	43,321,079	43,321,079
49,062,530	1,739,453,882	13,246,955	1,741,944,093	43,321,079	3,800,876,256
258,376	1,217,007	1,242,303	-	-	89,986,156
-	161,545,358	-	-	-	161,545,358
-	-	-	-	20,664,648	20,664,648
28,999,999	-	-	-	-	28,999,999
-	-	-	-	-	7,455,592
-	87,926,835	-	-	-	87,926,835
-	-	12,004,652	-	-	12,004,652
2,300,000	-	-	-	-	3,205,792
2,287,636	-	-	-	-	14,770,968
-	-	-	-	-	20,000
-	-	-	-	22,656,431	22,656,431
33,846,011	250,689,200	13,246,955	-	43,321,079	449,236,431
-	-	-	1,741,944,093	-	1,741,944,093
4,286,000	-	-	-	-	4,286,000
10,930,519	-	-	-	-	10,930,519
-	-	-	-	-	117,828,218
-	-	-	-	-	1,503,115
-	1,488,764,682	-	-	-	1,488,764,682
-	-	-	-	-	(13,616,802)
15,216,519	1,488,764,682	-	1,741,944,093	-	3,351,639,825
49,062,530	1,739,453,882	13,246,955	1,741,944,093	43,321,079	3,800,876,256

FAIRFAX COUNTY PUBLIC SCHOOLS**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
All Governmental Fund Types**

For the fiscal year ended June 30, 2001

	General	Special Revenue	Capital Projects	Total
Revenues:				
Intergovernmental	\$ 345,155,691	36,985,035	2,062,134	384,202,860
Charges for services	4,237,802	40,680,285	-	44,918,087
Revenue from the use of money and property	1,852,286	790,346	-	2,642,632
Recovered costs	23,903,048	-	321,668	24,224,716
Donated food	-	294,805	-	294,805
Other	6,590,903	538,572	7,212,217	14,341,692
Total revenues	381,739,730	79,289,043	9,596,019	470,624,792
Expenditures:				
Current:				
Education	1,354,302,791	94,305,781	-	1,448,608,572
Donated food	-	294,805	-	294,805
Capital outlay	-	-	122,577,047	122,577,047
Capital leases and installment purchases	13,061,339	-	309,494	13,370,833
Total expenditures	1,367,364,130	94,600,586	122,886,541	1,584,851,257
Excess (deficiency) of revenues over (under) expenditures	(985,624,400)	(15,311,543)	(113,290,522)	(1,114,226,465)
Other financing sources (uses):				
Operating transfers in	-	12,096,648	9,179,855	21,276,503
Operating transfers in from Primary Government:				
Proceeds from sale of bonds	-	-	130,022,301	130,022,301
Other	989,981,320	1,793,500	-	991,774,820
Operating transfers out	(21,530,624)	-	-	(21,530,624)
Operating transfers out to Primary Government	(833,926)	-	-	(833,926)
Capital leases and installment purchases	13,061,339	-	309,494	13,370,833
Total other financing sources (uses)	980,678,109	13,890,148	139,511,650	1,134,079,907
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,946,291)	(1,421,395)	26,221,128	19,853,442
Fund balances, July 1, 2000, as restated	47,040,661	18,970,211	19,469,387	85,480,259
Increase in reserve for inventories of supplies	-	380,830	-	380,830
Fund balances, June 30, 2001	\$ 42,094,370	17,929,646	45,690,515	105,714,531

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
GENERAL FUND

Exhibit K-2

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)
For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 347,106,403	345,155,691	(1,950,712)
Charges for services	3,693,083	4,237,802	544,719
Revenue from use of money and property	1,336,300	1,852,286	515,986
Recovered costs	23,903,048	23,903,048	-
Other	4,946,949	6,590,903	1,643,954
Total revenues	380,985,783	381,739,730	753,947
Expenditures:			
Current:			
Education	1,403,390,987	1,352,322,379	51,068,608
Total expenditures	1,403,390,987	1,352,322,379	51,068,608
Excess (deficiency) of revenues over (under) expenditures	(1,022,405,204)	(970,582,649)	51,822,555
Other financing sources (uses):			
Operating transfers in from Primary Government	988,000,908	988,000,908	-
Operating transfers out	(21,530,624)	(21,530,624)	-
Operating transfers out to Primary Government	(833,926)	(833,926)	-
Total other financing sources (uses)	965,636,358	965,636,358	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (56,768,846)	(4,946,291)	51,822,555

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 2001

Exhibit K-3

		Food and Nutrition Services	Grants and Self-Supporting Programs	Adult and Community Education	Total all funds
Assets					
Equity in pooled cash and temporary investments	\$	9,951,918	2,931,751	4,379,716	17,263,385
Receivables (net of allowances):					
Accrued interest		34,694	-	16,119	50,813
Accounts		139,686	88,000	-	227,686
Due from intergovernmental units		709,788	4,005,231	61,477	4,776,496
Due from Primary Government		82,828	27,278	-	110,106
Inventories of supplies		1,503,115	-	-	1,503,115
Total assets	\$	12,422,029	7,052,260	4,457,312	23,931,601
Liabilities, fund equity and other credits					
Liabilities:					
Accounts payable and accrued liabilities	\$	1,226,069	75,249	8,476	1,309,794
Interfund payable		-	325,774	-	325,774
Deferred revenue		800,136	2,899,698	666,553	4,366,387
Total liabilities		2,026,205	3,300,721	675,029	6,001,955
Fund equity and other credits:					
Fund balances:					
Reserved for inventories of supplies		1,503,115	-	-	1,503,115
Unreserved		8,892,709	3,751,539	3,782,283	16,426,531
Total fund equity and other credits		10,395,824	3,751,539	3,782,283	17,929,646
Total liabilities, fund equity and other credits	\$	12,422,029	7,052,260	4,457,312	23,931,601

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS

Exhibit K-4

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the fiscal year ended June 30, 2001

	Food and Nutrition Services	Grants and Self-Supporting Programs	Adult and Community Education	Total all funds
Revenues:				
Intergovernmental	\$ 15,819,650	19,665,045	1,500,340	36,985,035
Charges for services	31,951,373	2,610,530	6,118,382	40,680,285
Revenue from the use of money and property	608,506	-	181,840	790,346
Donated food	294,805	-	-	294,805
Other	-	516,579	21,993	538,572
Total revenues	48,674,334	22,792,154	7,822,555	79,289,043
Expenditures:				
Current:				
Education	50,802,759	34,076,423	9,426,599	94,305,781
Donated food	294,805	-	-	294,805
Total expenditures	51,097,564	34,076,423	9,426,599	94,600,586
Excess (deficiency) of revenues over (under) expenditures	(2,423,230)	(11,284,269)	(1,604,044)	(15,311,543)
Other financing sources:				
Operating transfers in	-	8,413,430	3,683,218	12,096,648
Operating transfers in from Primary Government:				
Other	-	1,793,500	-	1,793,500
Total other financing sources	-	10,206,930	3,683,218	13,890,148
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(2,423,230)	(1,077,339)	2,079,174	(1,421,395)
Fund balances, July 1, 2000	12,438,224	4,828,878	1,703,109	18,970,211
Increase in reserve for inventories of supplies	380,830	-	-	380,830
Fund balances, June 30, 2001	\$ 10,395,824	3,751,539	3,782,283	17,929,646

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS
FOOD AND NUTRITION SERVICES FUND

Exhibit K-5a

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)
For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 15,233,963	16,114,455	880,492
Charges for services	30,915,649	31,951,373	1,035,724
Revenue from the use of money and property	510,000	608,506	98,506
Total revenues	46,659,612	48,674,334	2,014,722
Expenditures:			
Current:			
Education	52,378,319	51,097,564	1,280,755
Total expenditures	52,378,319	51,097,564	1,280,755
Excess (deficiency) of revenues over (under) expenditures	(5,718,707)	(2,423,230)	3,295,477

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
SPECIAL REVENUE FUNDS

Exhibit K-5b

GRANTS AND SELF-SUPPORTING PROGRAMS FUND

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 28,452,395	19,665,045	(8,787,350)
Charges for services	2,627,116	2,610,530	(16,586)
Other	1,076,719	516,579	(560,140)
Total revenues	32,156,230	22,792,154	(9,364,076)
Expenditures:			
Current:			
Education	47,192,036	34,076,423	13,115,613
Total expenditures	47,192,036	34,076,423	13,115,613
Excess (deficiency) of revenues over (under) expenditures	(15,035,806)	(11,284,269)	3,751,537
Other financing sources:			
Operating transfers in	8,413,430	8,413,430	-
Operating transfers in from Primary Government:			
Other	1,793,500	1,793,500	-
Total other financing sources	10,206,930	10,206,930	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (4,828,876)	(1,077,339)	3,751,537

See accompanying notes to financial statements.

FAIRFAX COUNTY PUBLIC SCHOOLS

SPECIAL REVENUE FUNDS

ADULT AND COMMUNITY EDUCATION FUND

Schedule of Revenues and Expenditures - Budget and Actual (Budget Basis)

For the fiscal year ended June 30, 2001

	Budget	Actual	Variance
Revenues:			
Intergovernmental	\$ 1,574,229	1,500,340	(73,889)
Charges for services	7,240,965	6,118,382	(1,122,583)
Revenue from the use of money and property	-	181,840	181,840
Other	18,327	21,993	3,666
Total revenues	8,833,521	7,822,555	(1,010,966)
Expenditures:			
Current:			
Education	14,219,848	9,426,599	4,793,249
Total expenditures	14,219,848	9,426,599	4,793,249
Excess (deficiency) of revenues over (under) expenditures	(5,386,327)	(1,604,044)	3,782,283
Other financing sources:			
Operating transfers in	3,683,218	3,683,218	-
Total other financing sources	3,683,218	3,683,218	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures	\$ (1,703,109)	2,079,174	3,782,283

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
INTERNAL SERVICE FUNDS
Combining Balance Sheet
June 30, 2001

Exhibit K-6

	Central Procurement	Health Benefits Trust	Insurance	Total all funds
Assets				
Current assets:				
Equity in pooled cash and temporary investments	\$ 111,759	20,060,594	24,306,714	44,479,067
Accrued interest receivables	-	92,024	-	92,024
Account receivables	-	23,561	-	23,561
Interfund receivables	475,774	430,018	-	905,792
Inventories of supplies	3,562,086	-	-	3,562,086
Total assets	\$ 4,149,619	20,606,197	24,306,714	49,062,530
Liabilities and fund equity				
Current liabilities:				
Accounts payable and accrued liabilities	\$ 258,376	-	-	258,376
Obligations for claims	-	10,039,133	18,960,866	28,999,999
Deferred revenue	-	2,287,636	-	2,287,636
Interfund payables	2,300,000	-	-	2,300,000
Total liabilities	2,558,376	12,326,769	18,960,866	33,846,011
Fund equity:				
Contributed capital	-	4,286,000	-	4,286,000
Retained earnings	1,591,243	3,993,428	5,345,848	10,930,519
Total fund equity	1,591,243	8,279,428	5,345,848	15,216,519
Total liabilities and fund equity	\$ 4,149,619	20,606,197	24,306,714	49,062,530

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
INTERNAL SERVICE FUNDS

Exhibit K-7

Combining Statement of Revenues, Expenses and Changes in Retained Earnings
For the fiscal year ended June 30, 2001

	Central Procurement	Health Benefits Trust	Insurance	Total all funds
Operating revenues:				
Charges to other funds	\$ 10,218,843	96,959,572	5,413,864	112,592,279
Total operating revenues	10,218,843	96,959,572	5,413,864	112,592,279
Operating expenses:				
Cost of goods sold	10,450,966	-	-	10,450,966
Personnel services	-	300,931	310,285	611,216
Risk financing and benefit payments	-	100,629,497	4,377,586	105,007,083
Professional consultant and contractual services	-	630,577	1,447,487	2,078,064
Total operating expenses	10,450,966	101,561,005	6,135,358	118,147,329
Operating loss	(232,123)	(4,601,433)	(721,494)	(5,555,050)
Nonoperating revenues:				
Interest revenue	-	1,264,663	-	1,264,663
Total nonoperating revenues	-	1,264,663	-	1,264,663
Loss before operating transfers	(232,123)	(3,336,770)	(721,494)	(4,290,387)
Operating transfers in	-	254,121	-	254,121
Net loss	(232,123)	(3,082,649)	(721,494)	(4,036,266)
Retained earnings, July 1, 2000	1,823,366	7,076,077	6,067,342	14,966,785
Retained earnings, June 30, 2001	\$ 1,591,243	3,993,428	5,345,848	10,930,519

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
INTERNAL SERVICE FUNDS
Combining Statement of Cash Flows
For the fiscal year ended June 30, 2001

Exhibit K-8

	Central Procurement	Health Benefits Trust	Insurance	Total all funds
Cash flows from operating activities:				
Operating income (loss)	\$ (232,123)	(4,601,433)	(721,494)	(5,555,050)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities -				
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	190,592	467,161	-	657,753
(Increase) decrease in interfund receivables	(173,549)	(430,018)	-	(603,567)
Increase in inventories	(582,697)	-	-	(582,697)
Increase on deferred revenue	-	1,047,724	-	1,047,724
Increase in interfund payables	867,767	-	-	867,767
Increase (decrease) in accounts payable	(50,679)	2,398,439	105,867	2,453,627
Total adjustments to operating income (loss)	251,434	3,483,306	105,867	3,840,607
Net cash provided (used) by operating activities	19,311	(1,118,127)	(615,627)	(1,714,443)
Cash flows from non-capital financing activities:				
Receipts from other funds	-	254,121	-	254,121
Net cash provided by non-capital financing activities	-	254,121	-	254,121
Cash flows from investing activities:				
Interest received	-	1,307,462	-	1,307,462
Net cash provided by investing activities	-	1,307,462	-	1,307,462
Net increase (decrease) in cash and cash equivalents	19,311	443,456	(615,627)	(152,860)
Cash and cash equivalents, July 1, 2000	92,448	19,617,138	24,922,341	44,631,927
Cash and cash equivalents, June 30, 2001	\$ 111,759	20,060,594	24,306,714	44,479,067

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PUBLIC SCHOOLS
AGENCY FUNDS

Exhibit K-9

Combining Statement of Changes in Assets and Liabilities

For the fiscal year ended June 30, 2001

	Balance June 30, 2000	Additions	Deductions	Balance June 30, 2001
Student Activity Fund:				
Assets:				
Cash with fiscal agents	\$ 11,428,668	38,787,652	37,607,798	12,608,522
Accounts receivable	443,951	15,034	-	458,985
Inventories of supplies	182,880	-	27,131	155,749
Total assets	12,055,499	38,802,686	37,634,929	13,223,256
Liabilities:				
Accounts payable and accrued liabilities	775,066	443,538	-	1,218,604
Liabilities under reimbursement agreements	11,280,433	724,219	-	12,004,652
Total liabilities	\$ 12,055,499	1,167,757	-	13,223,256
Gift Fund:				
Assets:				
Equity in pooled cash and temporary investments	\$ 25,098	3,494	4,893	23,699
Total assets	25,098	3,494	4,893	23,699
Liabilities:				
Accounts payable and accrued liabilities	25,098	4,444	5,843	23,699
Total liabilities	\$ 25,098	4,444	5,843	23,699
Totals - All Agency Funds:				
Assets:				
Equity in pooled cash and temporary investments	\$ 25,098	3,494	4,893	23,699
Cash with fiscal agents	11,428,668	38,787,652	37,607,798	12,608,522
Accounts receivable	443,951	15,034	-	458,985
Inventories of supplies	182,880	-	27,131	155,749
Total assets	12,080,597	38,806,180	37,639,822	13,246,955
Liabilities:				
Accounts payable and accrued liabilities	800,164	447,982	5,843	1,242,303
Liabilities under reimbursement agreements	11,280,433	724,219	-	12,004,652
Total liabilities	\$ 12,080,597	1,172,201	5,843	13,246,955

See accompanying notes to financial statements.

PROPRIETARY FUND TYPES:

THE ENTERPRISE FUNDS are described below. The first two funds include funding from the Department of Housing and Community Development (HCD). The HCD was established by the Board of Supervisors on December 12, 1973, to assume the administrative functions of the FCRHA and to function as the County's agency for administration of all housing and community development programs. In this action, the Board of Supervisors also established that the County Executive would be the Executive Director and the Secretary of the FCRHA.

The other funds described below are financed by federal grants from the U.S Department of Housing and Urban Development (HUD), rents and other user charges resulting from operations of subsidized housing, development and financing fees, investment income and loan proceeds. These funds provide rental housing, housing for the elderly/group homes, loans for home ownership and home improvement, tenant assistance, community development, and the development and administration of these programs.

ELDERLY HOUSING PROGRAM FUND is used to account for the affordable rental housing owned by the FCRHA and occupied by the elderly.

HOMEOWNER AND BUSINESS LOAN PROGRAM FUND is used to account for funds used to assist low and moderate income families to enable them to become homeowners in the County or to improve their current living accommodations through repair or rehabilitation. It is also used to account for the operation of small and minority business loan program that is funded by the federal government.

PUBLIC HOUSING FUND is used to account for operating and capital costs of rental housing owned and operated by the FCRHA and subsidized by the HUD public housing program.

SECTION 8 FUND is used to account for a federal housing assistance program for lower income families seeking housing in the private market place. HUD provides funds to pay a portion of the family's rent.

OPERATING FUND is used to account for programs and for real property that is not accounted for in other FCRHA funds. The primary source of revenue is development and financing fees from private developers of affordable multifamily housing.

REVOLVING DEVELOPMENT FUND is used to account for the provision of funds for initial project costs, such as new site investigations, architectural engineering plans, studies and fees. This funding ensures that adequate plans and proposals are completed prior to application for project financing from federal, state or private financing. These initial costs are anticipated to be recovered from permanent project financing.

Fairfax County Redevelopment and Housing Authority

CAPITAL CONTRIBUTIONS FUND is used to account for the provision of equity and project improvements so that a project or program is financially feasible.

PRIVATE FINANCE FUND is used to account for capital projects which are supported wholly or partially by funds borrowed by the FCRHA or through the FCRHA's sale of notes or bonds. Housing development and improvement projects may be financed with funds borrowed from private lenders, the Virginia Housing Development Authority or the federal government.

REHABILITATION LOAN FUND is used to account for providing the FCRHA's portion of the funding for the Home Improvement Loan Program (HILP). These funds are borrowed by the FCRHA from private lenders. The HILP, which is administered by the HCD, provides a variety of home improvement or rehabilitation loans primarily to single family homeowners.

FAIRFAX COUNTY RENTAL PROGRAM FUND is used to account for an affordable rental housing program in the County for low and moderate income families. The privately developed and rehabilitated housing units are located at scattered sites, primarily in converted condominium projects.

GRANT FUND is used to account for funds receiving grant monies. This fund includes the Drug Elimination project, the Cedar Lakes Transitional Housing project, and the Housing Opportunities for Persons with AIDS project. Prior to 2001, the activities for these projects were reported in the Public Housing Fund and the Fairfax County Rental Program Fund.

THE INTERNAL SERVICE FUND is used to account for the provision of office supplies and communications, maintenance and other services to various other FCRHA funds on a cost reimbursement basis.

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

Combined Balance Sheet - Proprietary Fund Types and Discretely Presented Component Units

June 30, 2001

	Proprietary Funds		Total Primary Government (memorandum only)	Component Units Real Estate Limited Partnerships	Total Reporting Entity (memorandum only)
	Enterprise	Internal Service			
Assets					
Equity in pooled cash and temporary investments	\$ 16,793,171	77,915	16,871,086	-	16,871,086
Cash in bank	1,708,038	-	1,708,038	4,495,202	6,203,240
Receivables (net of allowances):					
Accrued interest	88,961	-	88,961	21,787	110,748
Accounts	2,992,456	-	2,992,456	108,214	3,100,670
Notes	7,467,662	-	7,467,662	-	7,467,662
Mortgages	85,675	-	85,675	-	85,675
Interfund receivables	31,969	-	31,969	-	31,969
Prepaid items and other assets	1,444,941	64,292	1,509,233	389,978	1,899,211
Restricted assets:					
Cash with fiscal agents	5,871,949	-	5,871,949	2,085,339	7,957,288
Investments	2,299,803	-	2,299,803	-	2,299,803
Land held for sale	4,599,973	-	4,599,973	-	4,599,973
Fixed assets:					
Land	23,646,815	-	23,646,815	5,510,168	29,156,983
Buildings and improvements	96,191,617	-	96,191,617	40,391,457	136,583,074
Equipment	1,842,323	-	1,842,323	3,316,408	5,158,731
Construction in progress	9,211,549	-	9,211,549	2,284	9,213,833
Accumulated depreciation	(49,006,837)	-	(49,006,837)	(8,289,975)	(57,296,812)
Total assets	\$ 125,270,065	142,207	125,412,272	48,030,862	173,443,134
Liabilities and fund equity					
Liabilities:					
Accounts payable and accrued liabilities	\$ 2,831,327	142,207	2,973,534	4,746,065	7,719,599
Compensated absences payable	851,530	-	851,530	-	851,530
Due to Primary Government	1,591,703	-	1,591,703	-	1,591,703
Interfund payables	31,969	-	31,969	-	31,969
Deferred revenue	2,758,942	-	2,758,942	63,948	2,822,890
Deposits held in trust	692,735	-	692,735	243,887	936,622
Notes payable	31,229,514	-	31,229,514	28,927,901	60,157,415
Public Housing loans payable	1,922,314	-	1,922,314	-	1,922,314
Housing bonds payable	12,745,000	-	12,745,000	-	12,745,000
Total liabilities	54,655,034	142,207	54,797,241	33,981,801	88,779,042
Fund equity:					
Contributed capital	24,867,028	-	24,867,028	-	24,867,028
Retained earnings	45,748,003	-	45,748,003	14,049,061	59,797,064
Total fund equity	70,615,031	-	70,615,031	14,049,061	84,664,092
Total liabilities and fund equity	\$ 125,270,065	142,207	125,412,272	48,030,862	173,443,134

See accompanying notes to financial statements.

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY**Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Types and Discretely Presented Component Units**

For the fiscal year ended June 30, 2001

	Proprietary Funds		Total Primary Government (memorandum only)	Component Units Real Estate Limited Partnerships	Total Reporting Entity (memorandum only)
	Enterprise	Internal Service			
Operating revenues:					
Dwelling rental	\$ 9,764,710	-	9,764,710	4,571,788	14,336,498
Charges to other funds	-	2,583,166	2,583,166	-	2,583,166
Other	3,180,091	-	3,180,091	493,537	3,673,628
Total operating revenues	12,944,801	2,583,166	15,527,967	5,065,325	20,593,292
Operating expenses:					
Personnel services	7,137,734	-	7,137,734	774,370	7,912,104
Dwelling operation and maintenance	2,854,079	2,399,544	5,253,623	1,171,447	6,425,070
Utilities	1,990,794	-	1,990,794	907,409	2,898,203
Administration	4,284,081	183,622	4,467,703	1,180,109	5,647,812
Housing assistance payments	21,910,858	-	21,910,858	-	21,910,858
Depreciation and amortization	3,337,013	-	3,337,013	1,786,681	5,123,694
Total operating expenses	41,514,559	2,583,166	44,097,725	5,820,016	49,917,741
Operating income (loss)	(28,569,758)	-	(28,569,758)	(754,691)	(29,324,449)
Nonoperating revenues (expenses):					
Intergovernmental revenue	29,045,523	-	29,045,523	-	29,045,523
Interest revenue	1,159,071	-	1,159,071	194,051	1,353,122
Interest expense	(2,800,231)	-	(2,800,231)	(1,308,958)	(4,109,189)
Investor contributions	-	-	-	2,334,490	2,334,490
Total nonoperating revenues (expenses)	27,404,363	-	27,404,363	1,219,583	28,623,946
Income (loss) before operating transfers	(1,165,395)	-	(1,165,395)	464,892	(700,503)
Operating transfers in	658,715	-	658,715	-	658,715
Operating transfers in from Primary Government	1,437,463	-	1,437,463	-	1,437,463
Operating transfers out	(658,715)	-	(658,715)	-	(658,715)
Net income (loss)	272,068	-	272,068	464,892	736,960
Retained earnings, July 1, 2000, as restated	45,475,935	-	45,475,935	13,584,169	59,060,104
Retained earnings, June 30, 2001	\$ 45,748,003	-	45,748,003	14,049,061	59,797,064

See accompanying notes to financial statements.

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

Combined Statement of Cash Flows - Proprietary Fund Types and Discretely Presented Component Units

For the fiscal year ended June 30, 2001

	Proprietary Funds		Total Primary Government (memorandum only)	Component Units Real Estate Limited Partnerships	Total Reporting Entity (memorandum only)
	Enterprise	Internal Service			
Cash flows from operating activities:					
Operating income (loss)	\$ (28,569,758)	-	(28,569,758)	(754,691)	(29,324,449)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	3,337,013	-	3,337,013	1,786,681	5,123,694
Write off of fixed assets	311,507	-	311,507	-	311,507
Gain on sale of land	(987,899)	-	(987,899)	-	(987,899)
Changes in operating assets and liabilities:					
(Increase) decrease in accounts receivable	(3,430,751)	-	(3,430,751)	(59,142)	(3,489,893)
(Increase) decrease in due from Primary Government	151,369	-	151,369	-	151,369
(Increase) decrease in prepaid items and other assets	(98,055)	(27,918)	(125,973)	36,699	(89,274)
Increase (decrease) in accounts payable and accrued liabilities, net of interest	(648,127)	48,389	(599,738)	1,224,683	624,945
Increase (decrease) in deferred revenue	(273,258)	-	(273,258)	(2,220)	(275,478)
Increase (decrease) in deposits held in trust	(60,642)	-	(60,642)	31,307	(29,335)
Total adjustments to operating income (loss)	(1,698,843)	20,471	(1,678,372)	3,018,008	1,339,636
Net cash provided (used) by operating activities	(30,268,601)	20,471	(30,248,130)	2,263,317	(27,984,813)
Cash flows from non-capital financing activities:					
Intergovernmental revenue received	27,211,550	-	27,211,550	-	27,211,550
Transfers from other funds	658,715	-	658,715	-	658,715
Transfers to other funds	(658,715)	-	(658,715)	-	(658,715)
Net cash provided by non-capital financing activities	27,211,550	-	27,211,550	-	27,211,550
Cash flows from capital and related financing activities:					
Intergovernmental revenue received	3,271,436	-	3,271,436	-	3,271,436
Principal payments on bonds, notes and loans	(1,914,440)	-	(1,914,440)	(3,833,587)	(5,748,027)
Interest payments on bonds, notes and loans	(2,822,016)	-	(2,822,016)	(1,081,015)	(3,903,031)
Proceeds from issuance of notes	-	-	-	1,853,702	1,853,702
Proceeds for issuance of bonds	3,500,000	-	3,500,000	-	3,500,000
Proceeds from mortgage loans	-	-	-	6,539,476	6,539,476
Other financing activities	-	-	-	464,898	464,898
Purchase of fixed assets	(5,177,556)	-	(5,177,556)	(7,626,455)	(12,804,011)
Contributions received	215,000	-	215,000	2,334,490	2,549,490
Net cash (used) by capital and related financing activities	(2,927,576)	-	(2,927,576)	(1,348,491)	(4,276,067)
Cash flows from investing activities:					
Deposits to restricted investments	(30,503)	-	(30,503)	-	(30,503)
Proceeds from sale of property	1,773,719	-	1,773,719	243,700	2,017,419
Interest received	1,182,803	-	1,182,803	177,056	1,359,859
Net cash provided (used) by investing activities	2,926,019	-	2,926,019	420,756	3,346,775
Net increase (decrease) in cash and cash equivalents	(3,058,608)	20,471	(3,038,137)	1,335,582	(1,702,555)
Cash and equivalents, July 1, 2000, as restated	27,431,766	57,444	27,489,210	5,244,959	32,734,169
Cash and cash equivalents, June 30, 2001	\$ 24,373,158	77,915	24,451,073	6,580,541	31,031,614

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY REDVELOPMENT AND HOUSING AUTHORITY
Combining Balance Sheet - Enterprise Funds
June 30, 2001

	Annual Contributions Contracts				
	Public Housing	Section 8	Operating	Revolving Development	
Assets					
Equity in pooled cash and temporary investments	\$ 3,890,898	1,780,805	970,255	860,072	
Cash in bank	-	-	-	-	
Receivables (net of allowances):					
Accrued interest	10,593	4,951	44,239	18,507	
Accounts	282,781	721,182	305,413	931,485	
Notes	-	-	24,500	-	
Mortgages	-	-	-	-	
Interfund receivables	-	-	-	31,969	
Prepaid items and other assets	780	-	-	1,426,798	
Restricted assets:					
Cash with fiscal agents	30,423	78,053	1,917,045	-	
Investments	-	-	2,299,803	-	
Land held for sale	-	-	-	-	
Fixed assets:					
Land	10,105,678	-	877,089	-	
Buildings and improvements	54,355,456	-	5,023,482	-	
Equipment	810,647	147,637	517,993	-	
Construction in progress	2,458,404	-	-	813,069	
Accumulated depreciation	(30,625,405)	(141,904)	(2,894,747)	-	
Total assets	\$ 41,320,255	2,590,724	9,085,072	4,081,900	
Liabilities and fund equity					
Liabilities:					
Accounts payable and accrued liabilities	\$ 335,660	429,225	130,472	95,301	
Compensated absences payable	227,700	248,833	209,255	-	
Due to Primary Government	-	-	-	-	
Interfund payables	2,994	-	-	-	
Deferred revenue	104,771	2,483,602	43,936	-	
Deposits held in trust	285,408	-	94,577	-	
Notes payable	-	-	991,519	-	
Public Housing loans payable	1,922,314	-	-	-	
Housing bonds payable	-	-	3,275,000	-	
Total liabilities	2,878,847	3,161,660	4,744,759	95,301	
Fund equity:					
Contributed capital	24,867,028	-	-	-	
Retained earnings (deficit)	13,574,380	(570,936)	4,340,313	3,986,599	
Total fund equity	38,441,408	(570,936)	4,340,313	3,986,599	
Total liabilities and fund equity	\$ 41,320,255	2,590,724	9,085,072	4,081,900	

See accompanying notes to financial statements.

Capital Contributions	Private Finance	Rehabilitation Loan	Grant Fund	Fairfax County Rental Program	Elderly Housing Program	Homeowners' and Business Loan Program	Total all funds
52,826	-	187,408	-	6,175,947	491,237	2,383,723	16,793,171
-	1,437,804	-	-	270,234	-	-	1,708,038
223	4,932	761	-	-	-	4,755	88,961
-	448,418	-	273,654	16,759	12,764	-	2,992,456
-	3,655,075	23,541	-	-	-	3,764,546	7,467,662
-	-	85,675	-	-	-	-	85,675
-	-	-	-	-	-	-	31,969
-	-	-	14,897	2,466	-	-	1,444,941
-	696,272	60,884	-	3,089,272	-	-	5,871,949
-	-	-	-	-	-	-	2,299,803
-	4,599,973	-	-	-	-	-	4,599,973
-	-	-	56,299	12,607,749	-	-	23,646,815
-	-	-	214,507	36,598,172	-	-	96,191,617
5,362	-	-	29,113	331,571	-	-	1,842,323
162,224	5,777,852	-	-	-	-	-	9,211,549
(5,362)	-	-	(99,315)	(15,240,104)	-	-	(49,006,837)
215,273	16,620,326	358,269	489,155	43,852,066	504,001	6,153,024	125,270,065
23	839,440	101	345,276	462,301	190,972	2,556	2,831,327
-	-	-	4,634	110,975	50,133	-	851,530
-	1,591,703	-	-	-	-	-	1,591,703
-	10,000	-	-	18,975	-	-	31,969
-	52,913	-	-	69,347	4,373	-	2,758,942
-	-	27,333	-	270,795	14,622	-	692,735
-	11,799,722	96,688	-	18,126,585	-	215,000	31,229,514
-	-	-	-	-	-	-	1,922,314
-	3,500,000	-	-	5,970,000	-	-	12,745,000
23	17,793,778	124,122	349,910	25,028,978	260,100	217,556	54,655,034
-	-	-	-	-	-	-	24,867,028
215,250	(1,173,452)	234,147	139,245	18,823,088	243,901	5,935,468	45,748,003
215,250	(1,173,452)	234,147	139,245	18,823,089	243,901	5,935,468	70,615,031
215,273	16,620,326	358,269	489,155	43,852,067	504,001	6,153,024	125,270,065

COUNTY OF FAIRFAX, VIRGINIA

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings - Enterprise Funds

For the fiscal year ended June 30, 2001

	Annual Contributions Contracts			
	Public Housing	Section 8	Operating	Revolving Development
Operating revenues:				
Dwelling rental	\$ 3,606,088	-	50,728	-
Other	308,604	20,432	1,500,993	117,530
Total operating revenues	3,914,692	20,432	1,551,721	117,530
Operating expenses:				
Personnel services	1,375,590	2,082,486	1,287,767	-
Dwelling operation and maintenance	913,799	-	72,017	-
Utilities	1,445,888	-	-	-
Administration	964,354	871,579	614,701	247,956
Housing assistance payments	-	21,472,410	-	-
Depreciation and amortization	1,908,895	9,503	189,578	-
Total operating expenses	6,608,526	24,435,978	2,164,063	247,956
Operating income (loss)	(2,693,834)	(24,415,546)	(612,342)	(130,426)
Nonoperating revenues (expenses):				
Intergovernmental revenue	2,610,840	23,939,901	508,857	-
Interest revenue	163,126	-	418,590	64,128
Interest expense	(61,438)	-	(253,489)	-
Total nonoperating revenues (expenses)	2,712,528	23,939,901	673,958	64,128
Income (loss) before operating transfers	18,694	(475,645)	61,616	(66,298)
Operating transfers in	-	-	258,126	-
Operating transfers in from Primary Government	-	-	78,059	-
Operating transfers out	-	-	-	-
Net income (loss)	18,694	(475,645)	397,801	(66,298)
Retained earnings (deficit) July 1, 2000, as restated	13,555,686	(95,291)	3,942,512	4,052,897
Retained earnings (deficit), June 30, 2001	\$ 13,574,380	(570,936)	4,340,313	3,986,599

See accompanying notes to financial statements.

Capital Contributions	Private Finance	Rehabilitation Loan	Grant Fund	Fairfax County Rental Program	Elderly Housing Program	Homeowners' and Business Loan Program	Total all funds
-	-	-	-	5,409,084	698,810	-	9,764,710
-	987,898	9,918	-	143,100	5,636	85,980	3,180,091
-	987,898	9,918	-	5,552,184	704,446	85,980	12,944,801
-	-	-	131,274	1,842,565	418,052	-	7,137,734
-	-	-	122,822	1,549,296	177,280	18,865	2,854,079
-	-	-	57	424,424	120,425	-	1,990,794
311,507	11,709	11,058	26,644	162,256	898,644	163,673	4,284,081
-	-	-	210,368	-	-	228,080	21,910,858
-	-	-	7,800	1,221,237	-	-	3,337,013
311,507	11,709	11,058	498,965	5,199,778	1,614,401	410,618	41,514,559
(311,507)	976,189	(1,140)	(498,965)	352,406	(909,955)	(324,638)	(28,569,758)
-	1,494,760	-	491,165	-	-	-	29,045,523
3,135	102,887	19,050	-	144,267	-	243,888	1,159,071
-	(899,664)	(9,574)	-	(1,565,169)	(389)	(10,508)	(2,800,231)
3,135	697,983	9,476	491,165	(1,420,902)	(389)	233,380	27,404,363
(308,372)	1,674,172	8,336	(7,800)	(1,068,496)	(910,344)	(91,258)	(1,165,395)
-	-	-	-	400,589	-	-	658,715
-	-	-	-	-	1,359,404	-	1,437,463
-	(19,956)	(4,967)	-	-	(380,633)	(253,159)	(658,715)
(308,372)	1,654,216	3,369	(7,800)	(667,907)	68,427	(344,417)	272,068
523,622	(2,827,668)	230,778	147,045	19,490,995	175,474	6,279,885	45,475,935
215,250	(1,173,452)	234,147	139,245	18,823,088	243,901	5,935,468	45,748,003

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
Combining Statement of Cash Flows - Enterprise Funds
For the fiscal year ended June 30, 2001

	Annual Contributions Contracts			
	Public Housing	Section 8	Operating	Revolving Development
Cash flows from operating activities:				
Operating income (loss)	\$ (2,693,834)	(24,415,546)	(612,342)	(130,426)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,908,895	9,503	189,578	-
Write off of fixed assets	-	-	-	-
Gain on Sale of Fixed Assets	-	-	-	-
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(185,093)	(14,401)	7,331	170,100
(Increase) decrease in due from Primary Government	-	-	-	-
(Increase) decrease in prepaid items and other assets	2,370	-	-	(83,062)
Increase (decrease) in accounts payable and accrued liabilities, net of interest	129,737	(1,976,476)	14,961	34,248
Increase (decrease) in deferred revenue	11,474	(184,483)	(50,150)	(82,527)
Increase (decrease) in deposits held in trust	28,039	(104,887)	9,532	-
Total adjustments to operating income (loss)	1,895,422	(2,270,744)	171,252	38,759
Net cash provided (used) by operating activities	(798,412)	(26,686,290)	(441,090)	(91,667)
Cash flows from non-capital financing activities:				
Intergovernmental revenue received	782,665	23,939,901	503,059	-
Transfers from other funds	-	-	258,126	-
Transfers to other funds	-	-	-	-
Net cash provided (used) by non-capital financing activities	782,665	23,939,901	761,185	-
Cash flows from capital and related financing activities:				
Intergovernmental revenue received	1,828,175	-	83,857	-
Principal payments on bonds, notes and loans	(114,913)	-	(171,823)	-
Interest payments on bonds, notes and loans	(96,726)	-	(253,489)	-
Proceeds from the issuance of bonds	-	-	-	-
Purchase of fixed assets	(1,596,205)	-	-	(214,850)
Contributions received	-	-	-	-
Net cash provided (used) by capital and related financing activities	20,331	-	(341,455)	(214,850)
Cash flows from investing activities:				
Deposits to restricted investments	-	-	(30,503)	-
Proceeds from sale of property	-	-	-	-
Interest received	177,795	-	416,354	75,782
Net cash provided (used) by investing activities	177,795	-	385,851	75,782
Net increase (decrease) in cash and cash equivalents	182,379	(2,746,389)	364,491	(230,735)
Cash and cash equivalents, July 1, 2000, as restated	3,738,942	4,605,247	2,522,809	1,090,807
Cash and cash equivalents, June 30, 2001	\$ 3,921,321	1,858,858	2,887,300	860,072

See accompanying notes to financial statements.

Capital Contributions	Private Finance	Rehabilitation Loan	Grant Fund	Fairfax County Rental Program	Elderly Housing Program	Homeowners' and Business Loan Program	Total all funds
(311,507)	976,189	(1,140)	(498,965)	352,406	(909,955)	(324,638)	(28,569,758)
-	-	-	7,800	1,221,237	-	-	3,337,013
311,507	-	-	-	-	-	-	311,507
-	(987,899)	-	-	-	-	-	(987,899)
-	(3,617,018)	27,767	(178,612)	17,126	(2,457)	344,506	(3,430,751)
-	(6)	-	-	-	-	151,375	151,369
-	-	-	(14,897)	(2,466)	-	-	(98,055)
14	744,552	62	193,464	177,743	35,366	(1,798)	(648,127)
-	31,800	-	-	2,387	(1,759)	-	(273,258)
-	-	(2,088)	-	7,579	1,183	-	(60,642)
311,521	(3,828,571)	25,741	7,755	1,423,606	32,333	494,083	(1,698,843)
14	(2,852,382)	24,601	(491,210)	1,776,012	(877,622)	169,445	(30,268,601)
-	1,494,760	-	491,165	-	-	-	27,211,550
-	-	-	-	400,589	-	-	658,715
-	(19,956)	(4,967)	-	-	(380,633)	(253,159)	(658,715)
-	1,474,804	(4,967)	491,165	400,589	(380,633)	(253,159)	27,211,550
-	-	-	-	-	1,359,404	-	3,271,436
-	(1,069,994)	(92,758)	-	(464,952)	-	-	(1,914,440)
-	(899,664)	(9,574)	-	(1,554,003)	(389)	(8,171)	(2,822,016)
-	3,500,000	-	-	-	-	-	3,500,000
-	(3,263,071)	-	-	(103,430)	-	-	(5,177,556)
-	-	-	-	-	-	215,000	215,000
-	(1,732,729)	(102,332)	-	(2,122,385)	1,359,015	206,829	(2,927,576)
-	-	-	-	-	-	-	(30,503)
-	1,773,719	-	-	-	-	-	1,773,719
3,349	102,354	20,114	-	144,267	-	242,788	1,182,803
3,349	1,876,073	20,114	-	144,267	-	242,788	2,926,019
3,363	(1,234,234)	(62,584)	(45)	198,483	100,760	365,903	(3,058,608)
49,463	3,368,310	310,876	45	9,336,970	390,477	2,017,820	27,431,766
52,826	2,134,076	248,292	-	9,535,453	491,237	2,383,723	24,373,158

GOVERNMENTAL FUND TYPES:

THE GENERAL FUND - FINANCED FROM COUNTY GENERAL FUND is used to account for the operations of the park facilities that are financed by the County.

THE SPECIAL REVENUE FUND - PARK REVENUE FUND is used to account for the operations of the park facilities that are financed from park operating revenues.

THE CAPITAL PROJECT FUNDS are comprised of the following:

PARK CONSTRUCTION BOND FUND is used to account for all construction projects and capital improvements of the Park Authority financed through Fairfax County general obligation bonds.

PARK CAPITAL IMPROVEMENT FUND is used to account for all Park Authority construction projects and capital improvements financed with transfers from the Park Revenue Fund and interest earned.

FINANCED FROM THE COUNTY CONSTRUCTION FUND is used to account for specific park maintenance projects to park facilities maintained with General Fund monies and is financed from the County's Construction Fund.

ACCOUNT GROUPS:

GENERAL FIXED ASSETS ACCOUNT GROUP is used to account for all fixed assets of the Park Authority.

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP is used to account for the Park Authority's long-term obligations which include the Park Facilities Revenue Bonds, revenue note payable and the long-term portion of accrued compensated absences.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PARK AUTHORITY
Combining Balance Sheet - All Fund Types and Account Groups
June 30, 2001

	Governmental Fund Types	
	General Fund	Special Revenue Fund
	Financed from County General Fund	Park Revenue
Assets and other debits		
Assets:		
Equity in pooled cash and temporary investments	\$ -	3,044,724
Receivables (net of allowances):		
Accrued interest	-	1,047
Accounts	-	67,451
Due from Primary Government	1,077,106	-
Restricted assets:		
Cash with fiscal agents	-	1,549,402
Fixed assets:		
Land	-	-
Buildings and improvements	-	-
Equipment	-	-
Construction in progress	-	-
Other debits:		
Amount available in special revenue fund	-	-
Amount to be provided for retirement of general long-term obligations	-	-
Total assets and other debits	\$ 1,077,106	4,662,624
Liabilities, fund equity and other credits		
Liabilities:		
Accounts payable and accrued liabilities	\$ 856,639	776,777
Compensated absences payable	220,467	86,397
Contract retainages	-	-
Deferred revenue	-	100,827
Refundable deposits	-	70,938
Revenue notes payable	-	-
Revenue bonds payable	-	-
Total liabilities	1,077,106	1,034,939
Fund equity and other credits:		
Investments in general fixed assets	-	-
Fund balances:		
Reserved for:		
Encumbrances	-	22,926
Debt service	-	1,549,402
Repair and replacement of park facilities	-	1,000,000
Unreserved	-	1,055,357
Total fund equity and other credits	-	3,627,685
Total liabilities, fund equity and other credits	\$ 1,077,106	4,662,624

See accompanying notes to financial statements.

Capital Projects Funds			Account Groups		Total
Financed from County Construction Fund	Park Construction Bond	Park Capital Improvement	General Fixed Assets	General Long-Term Obligations	
-	5,532,907	14,276,591	-	-	22,854,222
-	-	7,166	-	-	8,213
-	-	-	-	-	67,451
89,271	-	-	-	-	1,166,377
-	-	-	-	-	1,549,402
-	-	-	160,037,684	-	160,037,684
-	-	-	170,603,075	-	170,603,075
-	-	-	11,155,963	-	11,155,963
-	-	-	3,445,309	-	3,445,309
-	-	-	-	1,549,402	1,549,402
-	-	-	-	29,162,156	29,162,156
89,271	5,532,907	14,283,757	345,242,031	30,711,558	401,599,254
89,271	813,311	1,021,892	-	-	3,557,890
-	-	-	-	3,110,558	3,417,422
-	102,457	32,884	-	-	135,341
-	-	1,430,326	-	-	1,531,153
-	-	92,854	-	-	163,792
-	-	-	-	14,881,000	14,881,000
-	-	-	-	12,720,000	12,720,000
89,271	915,768	2,577,956	-	30,711,558	36,406,598
-	-	-	345,242,031	-	345,242,031
-	2,680,160	270,442	-	-	2,973,528
-	-	-	-	-	1,549,402
-	-	700,000	-	-	1,700,000
-	1,936,979	10,735,359	-	-	13,727,695
-	4,617,139	11,705,801	345,242,031	-	365,192,656
89,271	5,532,907	14,283,757	345,242,031	30,711,558	401,599,254

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY PARK AUTHORITY
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended June 30, 2001

	General Fund Financed from County General Fund	Special Revenue Fund Park Revenue
Revenues:		
Charges for services	\$ -	22,481,539
Revenue from the use of money and property	-	2,002,364
Gifts and donations	-	143,821
Other	-	182,981
Total revenues	-	24,810,705
Expenditures:		
Current:		
Parks, recreation and cultural	19,217,944	21,621,280
Capital outlay	600,492	956,098
Debt service:		
Principal retirement	-	310,000
Interest and other	-	845,978
Total expenditures	19,818,436	23,733,356
Excess (deficiency) of revenues over (under) expenditures	(19,818,436)	1,077,349
Other financing sources (uses):		
Operating transfers in	-	-
Operating transfers in from Primary Government:		
Proceeds from the sale of bonds	-	-
Other	19,818,436	-
Operating transfers out	-	(1,450,000)
Proceeds from issuance of revenue note	-	-
Total other financing sources (uses)	19,818,436	(1,450,000)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(372,651)
Fund balances, July 1, 2000	-	4,000,336
Fund balances, June 30, 2001	\$ -	3,627,685

See accompanying notes to financial statements.

Exhibit M-1

Capital Projects Funds			
Financed from County Construction Fund	Park Construction Bond	Park Capital Improvement	Total
-	-	5,835	22,487,374
-	-	805,920	2,808,284
-	-	633,759	777,580
-	-	276,300	459,281
-	-	1,721,814	26,532,519
1,769,764	-	-	42,608,988
982,762	8,438,504	4,530,833	15,508,689
-	-	-	310,000
-	-	-	845,978
2,752,526	8,438,504	4,530,833	59,273,655
(2,752,526)	(8,438,504)	(2,809,019)	(32,741,136)
-	-	1,450,000	1,450,000
-	5,601,004	-	5,601,004
2,752,526	-	-	22,570,962
-	-	-	(1,450,000)
-	-	2,131,000	2,131,000
2,752,526	5,601,004	3,581,000	30,302,966
-	(2,837,500)	771,981	(2,438,170)
-	7,454,639	10,933,820	22,388,795
-	4,617,139	11,705,801	19,950,625

Fairfax County Economic Development Authority

GOVERNMENTAL FUND TYPE:

THE GENERAL FUND - FINANCED FROM COUNTY GENERAL FUND is used to account for the operations of the EDA that are financed by the County.

ACCOUNT GROUPS:

GENERAL FIXED ASSETS ACCOUNT GROUP is used to account for all fixed assets of the EDA.

GENERAL LONG-TERM OBLIGATIONS ACCOUNT GROUP is used account for the EDA's long-term portion of accrued compensated absences.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY
Combining Balance Sheet - All Fund Types and Account Groups
June 30, 2001

Exhibit N

	Governmental Fund Type	Account Groups		
	General Fund			
	Financed from County General Fund	General Fixed Assets	General Long-Term Obligations	Total
Assets and other debits				
Assets:				
Due from Primary Government	\$ 111,278	-	-	111,278
Fixed assets:				
Equipment	-	13,141	-	13,141
Other debits:				
Amount to be provided for retirement of general long-term obligations	-	-	122,706	122,706
Total assets and other debits	\$ 111,278	13,141	122,706	247,125
Liabilities and other credits				
Liabilities:				
Accounts payable and accrued liabilities	\$ 98,035	-	-	98,035
Compensated absences payable	13,243	-	122,706	135,949
Total liabilities	111,278	-	122,706	233,984
Other credits:				
Investments in general fixed assets	-	13,141	-	13,141
Total liabilities and other credits	\$ 111,278	13,141	122,706	247,125

See accompanying notes to financial statements.

COUNTY OF FAIRFAX, VIRGINIA
FAIRFAX COUNTY ECONOMIC DEVELOPMENT AUTHORITY
Statement of Revenues, Expenditures and Changes in Fund Balance
Financed from the County General Fund
For the fiscal year ended June 30, 2001

Exhibit N-1

	<u>General Fund</u>
	<u>Financed</u>
	<u>from County</u>
	<u>General Fund</u>
Revenues:	\$ -
Expenditures:	
Community development	<u>6,713,354</u>
Total expenditures	<u>6,713,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,713,354)</u>
Other financing sources:	
Operating transfers in from Primary Government	<u>6,713,354</u>
Total other financing sources	<u>6,713,354</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	-
Fund balance, July 1, 2000	<u>-</u>
Fund balance, June 30, 2001	<u>\$ -</u>

See accompanying notes to financial statements.

The miscellaneous section consists of supplemental schedules which provide further detail to be used in the analysis of the reporting entity's financial activities.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Treasurer's Accountability
As of June 30, 2001

Exhibit O

	Total Reporting Entity	Primary Government	Component Units
Assets held by the Treasurer:			
Cash in banks:			
Bank of America (1)	\$ (48,869,074)	(37,356,464)	(11,512,610)
SunTrust Bank	1,337	1,337	-
Wachovia Bank	27,605	27,605	-
First Virginia Bank	(2,606)	(2,606)	-
First Union Bank	744	744	-
Various banks - FCRHA	6,203,240	-	6,203,240
Cash with fiscal agents:			
Chase Manhattan Bank	267,103	267,103	-
SunTrust Bank	1,611,798	62,396	1,549,402
First Union Bank	570,288	570,288	-
Various Banks - FCRHA	7,957,288	-	7,957,288
Various Banks - Public Schools	13,757,812	-	13,757,812
Certificates of deposit:			
Capital One Bank	50,000,000	38,214,436	11,785,564
SunTrust Bank	10,000,000	7,642,887	2,357,113
Bank of America	50,000,000	38,214,436	11,785,564
Wachovia Bank	31,000,000	23,692,950	7,307,050
Various from developers	646,055	646,055	-
Total deposits	123,171,590	71,981,167	51,190,423
Investments:			
Commercial paper	332,442,739	254,082,235	78,360,504
Bankers acceptances	178,559,583	136,471,075	42,088,508
Repurchase agreements	126,687,749	96,826,017	29,861,732
U.S. Treasury notes	367,525,553	280,895,634	86,629,919
Obligations of Authorities of the Commonwealth of Virginia	16,679,475	16,679,475	-
Investments with fiscal agents:			
First Union Bank	65,643,281	65,643,281	-
SunTrust Bank	2,299,803	-	2,299,803
State Street Bank	3,441,418,679	3,441,418,679	-
Mellon Bank	1,702,269,082	-	1,702,269,082
Total investments	6,233,525,944	4,292,016,396	1,941,509,548
Total assets held by the Treasurer	\$ 6,356,697,534	4,363,997,563	1,992,699,971

(1) The negative cash balances in Bank of America and First Virginia Bank in the treasurer's accounts are due to retiree payroll checks and warrants in transit that are recorded in the treasurer's accounts, but did not clear the banks as of June 30, 2001.

COUNTY OF FAIRFAX, VIRGINIA
Schedule of Treasurer's Accountability
As of June 30, 2001

Exhibit O
continued

	Total Reporting Entity	Primary Government	Component Units
Liabilities of the Treasurer:			
Balance of County funds:			
General fund	\$ 170,936,490	170,936,490	
Special revenue funds	188,643,393	188,643,393	
Debt service funds	5,214,648	5,214,648	
Capital projects funds	138,694,723	138,694,723	
Enterprise fund	288,281,916	288,281,916	
Internal service funds	71,309,693	71,309,693	
Trust and agency funds	3,500,916,700	3,500,916,700	
Public Schools	1,934,964,930	-	1,934,964,930
Redevelopment and Housing Authority	33,331,417	-	33,331,417
Park Authority	24,403,624	-	24,403,624
Total liabilities of the Treasurer	\$ 6,356,697,534	4,363,997,563	1,992,699,971

COUNTY OF FAIRFAX, VIRGINIA

Schedule of Treasurer's Accountability to the County - Reporting Entity

For the fiscal year ended June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Equity in pooled cash, investments and cash with fiscal agents - July 1, 2000	\$ 165,739,663	176,923,776	6,452,581	112,903,743
Receipts from operations (net):				
Taxes	1,773,317,718	21,582,946	-	-
Permits, privilege fees and regulatory licenses	29,974,097	7,627,459	-	-
Intergovernmental	235,682,455	78,523,701	36,402	11,711,679
Charges for services	41,670,648	89,078,454	-	2,165,134
Fines and forfeitures	9,116,533	-	-	-
Revenue from the use of money and property	58,097,069	9,740,944	-	812,109
Contributions	-	3,214,085	-	4,974,529
Other	412,799	3,387,685	-	201,508
Total receipts	2,148,271,319	213,155,274	36,402	19,864,959
Total receipts and balance	2,314,010,982	390,079,050	6,488,983	132,768,702
Disbursements (net):				
Warrants issued	779,442,457	319,005,554	-	63,834,756
Debt service:				
Principal retirement	-	-	115,997,114	-
Interest and other	-	-	76,709,752	-
Total disbursements	779,442,457	319,005,554	192,706,866	63,834,756
Other receipts and transfers:				
Operating transfers in	1,683,800	134,198,166	190,039,174	35,449,007
Operating transfers in from Primary Government:				
Proceeds from sale of bonds	-	-	-	-
Other	-	-	-	-
Operating transfers in from Component Unit	-	-	833,926	-
Operating transfers out	(349,423,733)	(14,756,710)	-	(1,985,704)
Operating transfers out to Primary Government	-	-	-	-
Operating transfers out to Component Units:				
Proceeds from sale of bonds	-	-	-	(135,623,305)
Other	(1,015,892,102)	(1,871,559)	-	(2,752,526)
Proceeds from sale of property	-	-	-	-
Proceeds from sale of County general obligation bonds	-	-	-	174,673,305
Proceeds from issuance of revenue bond	-	-	-	-
Proceeds from issuance of revenue note	-	-	-	-
Proceeds from sale of refunding bonds	-	-	144,209,867	-
Proceeds from issuance of other long-term debt	-	-	-	-
Payments to refunded bond escrow agent	-	-	(143,650,436)	-
Total other receipts and transfers	(1,363,632,035)	117,569,897	191,432,531	69,760,777
Equity in pooled cash, investments and cash with fiscal agents - June 30, 2001	\$ 170,936,490	188,643,393	5,214,648	138,694,723
Schedule of Components of Equity in Pooled Cash and Investments:				
Equity in pooled cash and temporary investments	\$ 169,725,073	188,643,393	4,880,223	138,694,723
Cash in banks	-	-	-	-
Cash with fiscal agents	565,362	-	334,425	-
Cash collateral for securities lending	-	-	-	-
Investments	-	-	-	-
Restricted equity in pooled cash and temporary investments	-	-	-	-
Restricted cash with fiscal agents	-	-	-	-
Certificates of deposits - performance bonds	646,055	-	-	-
Restricted investments	-	-	-	-
Equity in pooled cash, investments and cash with fiscal agents - June 30, 2001	\$ 170,936,490	188,643,393	5,214,648	138,694,723

Exhibit P

Proprietary Fund Types		Fiduciary Fund Type	Totals Primary Government	Component Units	Totals Reporting Entity
Enterprise	Internal Service	Trust and Agency	(memorandum only)		(memorandum only)
306,204,712	64,300,651	3,407,727,546	4,240,252,672	2,017,342,106	6,257,594,778
-	-	-	1,794,900,664	-	1,794,900,664
-	-	-	37,601,556	-	37,601,556
30,993,356	-	11,152	356,958,745	422,267,539	779,226,284
75,140,541	111,236,815	-	319,291,592	158,380,902	477,672,494
-	-	-	9,116,533	-	9,116,533
17,226,552	2,353,389	118,278,473	206,508,536	18,951,758	225,460,294
-	-	103,076,810	111,265,424	50,278,256	161,543,680
357,405	-	-	4,359,397	23,337,086	27,696,483
123,717,854	113,590,204	221,366,435	2,840,002,447	673,215,541	3,513,217,988
429,922,566	177,890,855	3,629,093,981	7,080,255,119	2,690,557,647	9,770,812,766
168,184,515	111,377,162	128,177,281	1,570,021,725	1,858,397,803	3,428,419,528
4,050,000	-	-	120,047,114	6,058,027	126,105,141
9,406,135	-	-	86,115,887	4,749,009	90,864,896
181,640,650	111,377,162	128,177,281	1,776,184,726	1,869,204,839	3,645,389,565
-	4,796,000	-	366,166,147	23,639,339	389,805,486
-	-	-	-	135,623,305	135,623,305
-	-	-	-	1,020,516,187	1,020,516,187
-	-	-	833,926	-	833,926
-	-	-	(366,166,147)	(23,639,339)	(389,805,486)
-	-	-	-	(833,926)	(833,926)
-	-	-	(135,623,305)	-	(135,623,305)
-	-	-	(1,020,516,187)	-	(1,020,516,187)
-	-	-	-	2,017,419	2,017,419
-	-	-	174,673,305	-	174,673,305
40,000,000	-	-	40,000,000	-	40,000,000
-	-	-	-	2,131,000	2,131,000
-	-	-	144,209,867	-	144,209,867
-	-	-	-	11,893,178	11,893,178
-	-	-	(143,650,436)	-	(143,650,436)
40,000,000	4,796,000	-	(940,072,830)	1,171,347,163	231,274,333
288,281,916	71,309,693	3,500,916,700	4,363,997,563	1,992,699,971	6,356,697,534
84,946,893	71,309,693	17,635,477	675,835,475	258,663,344	934,498,819
-	-	-	-	6,203,240	6,203,240
-	-	-	899,787	13,757,812	14,657,599
-	-	216,773,609	216,773,609	87,926,835	304,700,444
16,679,475	-	3,266,507,614	3,283,187,089	1,614,342,247	4,897,529,336
162,874,811	-	-	162,874,811	-	162,874,811
-	-	-	-	9,506,690	9,506,690
-	-	-	646,055	-	646,055
23,780,737	-	-	23,780,737	2,299,803	26,080,540
288,281,916	71,309,693	3,500,916,700	4,363,997,563	1,992,699,971	6,356,697,534

Schedule of Treasurer's Accountability to the County - Discretely Presented Component Units

For the fiscal year ended June 30, 2001

	Public Schools	Redevelopment and Housing Authority	Park Authority	Economic Development Authority	Total
Equity in pooled cash, investments and cash with fiscal agents - July 1, 2000	\$ 1,957,613,207	35,003,469	24,725,430	-	2,017,342,106
Receipts from operations (net):					
Intergovernmental	393,109,040	29,045,523	112,976	-	422,267,539
Charges for services	133,316,793	2,583,166	22,480,943	-	158,380,902
Revenue from the use of money and property	4,508,359	11,559,354	2,884,045	-	18,951,758
Contributions	47,184,961	2,334,490	758,805	-	50,278,256
Other income	19,238,977	3,673,628	424,481	-	23,337,086
Total receipts	597,358,130	49,196,161	26,661,250	-	673,215,541
Total receipts and balance	2,554,971,337	84,199,630	51,386,680	-	2,690,557,647
Disbursements (net):					
Warrants issued	1,738,989,190	56,565,215	56,130,044	6,713,354	1,858,397,803
Debt service:					
Principal retirement	-	5,748,027	310,000	-	6,058,027
Interest and other	-	3,903,031	845,978	-	4,749,009
Total disbursements	1,738,989,190	66,216,273	57,286,022	6,713,354	1,869,204,839
Other receipts and transfers:					
Operating transfers in	21,530,624	658,715	1,450,000	-	23,639,339
Operating transfers in from Primary Government:					
Proceeds from sale of bonds	130,022,301	-	5,601,004	-	135,623,305
Other	989,794,408	1,437,463	22,570,962	6,713,354	1,020,516,187
Operating transfers out	(21,530,624)	(658,715)	(1,450,000)	-	(23,639,339)
Operating transfers out to Primary Government	(833,926)	-	-	-	(833,926)
Proceeds from sale of property	-	2,017,419	-	-	2,017,419
Proceeds from issuance of revenue note	-	-	2,131,000	-	2,131,000
Proceeds from issuance of other long-term debt	-	11,893,178	-	-	11,893,178
Total other receipts and transfers	1,118,982,783	15,348,060	30,302,966	6,713,354	1,171,347,163
Equity in pooled cash, investments and cash with fiscal agents - June 30, 2001	\$ 1,934,964,930	33,331,417	24,403,624	-	1,992,699,971
Schedule of Components of Equity in Pooled Cash and Investments:					
Equity in pooled cash and temporary investments	\$ 218,938,036	16,871,086	22,854,222	-	258,663,344
Cash in banks	-	6,203,240	-	-	6,203,240
Cash with fiscal agents	13,757,812	-	-	-	13,757,812
Cash collateral for securities lending	87,926,835	-	-	-	87,926,835
Investments	1,614,342,247	-	-	-	1,614,342,247
Restricted cash with fiscal agents	-	7,957,288	1,549,402	-	9,506,690
Restricted investments	-	2,299,803	-	-	2,299,803
Equity in pooled cash, investments and cash with fiscal agents - June 30, 2001	\$ 1,934,964,930	33,331,417	24,403,624	-	1,992,699,971

Schedule of Treasurer's Accountability to the Commonwealth

For the fiscal year ended June 30, 2001

	Balance July 1, 2000	Collections	Remittances	Balance June 30, 2001
Share of fees of sheriff and deputies	\$ 23,384	945,791	962,819	6,356

Note: This schedule has been prepared on the cash basis of accounting.

Schedule of Surety/Faithful Performance Bond Coverage

June 30, 2001

USF&G (County funded):

Anthony H. Griffin, County Executive	\$	1,000,000
Robert L. Mears, Director of Finance		1,000,000
Kevin C. Greenlief, Director of Tax Administration		1,000,000
Katherine K. Hanley, Chairman, Board of Supervisors		1,000
Gerald W. Hyland, Vice Chairman, Board of Supervisors		1,000
Sharon Bulova, Board of Supervisors		1,000
Gerald E. Connolly, Jr., Board of Supervisors		1,000
Catherine M. Hudgins, Board of Supervisors		1,000
Michael R. Frey, Board of Supervisors		1,000
Penelope A. Gross, Board of Supervisors		1,000
Dana Kauffman, Board of Supervisors		1,000
Elaine McConnell, Board of Supervisors		1,000
Stuart Mendelsohn, Board of Supervisors		1,000

Kemper Insurance Group:

All County Employees - Blanket Bond Coverage		1,550,000
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Fidelity and Deposit Company of Maryland (provided by Commonwealth of Virginia):

Robert L. Mears, Director of Finance		1,000,000
John T. Frey, Clerk of the Court		1,000,000
Stan G. Berry, Sheriff		30,000
Kevin C. Greenlief, Director of Tax Administration		3,000

Fidelity and Deposit Company of Maryland:

Maricela Alarico, Deputy Agent of the School Board		100,000
Stella E. Alvarez, Deputy Clerk of the School Board		100,000
Norma Bailey, Deputy Clerk of the School Board		100,000
John Berry, Deputy Agent of the School Board		100,000
Constance Downing, Agent of the School Board		100,000
Kristen Fang, Deputy Clerk of the School Board		100,000
Victor Garcia, Agent of the School Board		100,000
Pamela Goddard, Clerk of the School Board		100,000
Ernest Green, Deputy Clerk of the School Board		100,000
Sukunya Hamrojananukun, Deputy Clerk of the School Board		100,000
Greer Holdaway, Deputy Agent of the School Board		100,000
Michelle Johnson, Deputy Agent of the School Board		100,000
Mary Keninitz, Deputy Clerk of the School Board		100,000
John Lako III, Deputy Agent of the School Board		100,000
Bob Lausier, Agent of the School Board		100,000
Deborah M. Robinson, Deputy Agent of the School Board		100,000
Melissa Russell, Deputy Agent of the School Board		100,000
Linda Sabo, Deputy Clerk of the School Board		100,000
Mahmood Sheikh, Deputy Agent of the School Board		100,000
Marilyn Tanner, Deputy Agent of the School Board		100,000
Mary J. Thomas, Deputy Clerk of the School Board		100,000
Susan Williams, Deputy Agent of the School Board		100,000
Sheila Wortman, Deputy Agent of the School Board		100,000
Shakeel Yusuf, Agent of the School Board		100,000
Meir Zupovitz, Agent of the School Board		100,000
All School Employees - Blanket Bond Coverage		1,000,000

Statistical Section

The Statistical Section contains selected financial and demographic information, generally presented on a multi-year basis.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 1 - Expenditures by Function (1)

Last Ten Fiscal Years

		General Government Administration	Judicial Administration	Public Safety	Public Works	Health and Welfare	Community Development	Parks, Recreation and Cultural
1992	\$	51,629,454	13,053,823	157,617,838	126,735,253	159,903,067	50,590,465	46,154,203
1993		48,935,071	13,261,708	154,759,631	130,680,417	160,318,685	46,782,145	42,458,078
1994		52,570,488	14,297,233	162,207,761	134,699,527	187,470,021	71,555,454	59,979,879
1995		61,484,888	15,476,561	180,908,284	136,158,531	228,820,048	80,886,451	64,810,822
1996		72,338,728	17,498,901	189,685,237	140,348,137	246,922,478	102,644,316	68,076,905
1997		73,355,323	18,170,437	195,088,737	131,821,568	249,617,680	96,206,763	69,173,866
1998		77,592,551	18,652,509	211,191,952	122,113,299	253,316,305	113,045,023	74,765,464
1999		81,323,563	19,502,814	229,816,356	113,140,139	269,742,281	139,636,159	82,555,420
2000		87,400,231	21,408,526	256,155,919	125,478,465	300,328,090	98,045,302	88,215,577
2001		84,251,292	24,162,805	289,032,001	138,490,277	314,452,758	112,351,665	96,707,464

Source: Fairfax County Department of Finance.

(1) Includes expenditures of all governmental fund types of the reporting entity.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 2 - Revenues by Source (1)

Last Ten Fiscal Years

		Taxes	Permits, Privilege Fees, and Regulatory Licenses	Inter- governmental	Charges for Services	Fines and Forfeitures	Developers' Contributions	Revenue from the Use of Money and Property
1992	\$	1,229,249,382	25,461,843	269,205,012	130,789,203	5,118,830	4,955,004	39,967,296
1993		1,252,118,718	27,160,629	284,613,750	138,079,851	4,955,202	1,231,448	30,131,483
1994		1,277,222,097	28,461,668	322,060,050	156,827,843	5,351,809	2,093,084	36,258,060
1995		1,323,668,244	28,798,269	365,494,857	168,962,319	6,207,675	3,001,865	61,311,963
1996		1,381,702,595	30,544,252	403,295,975	169,369,957	6,751,974	2,772,366	65,678,810
1997		1,491,735,145	34,075,400	443,487,660	175,929,826	7,213,398	3,024,791	70,955,474
1998		1,548,908,361	37,128,657	447,284,672	169,239,295	7,413,004	2,126,357	77,574,033
1999		1,640,594,459	43,044,787	497,729,760	177,170,856	7,140,533	5,197,532	73,166,683
2000		1,690,371,422	43,835,560	594,883,235	183,353,397	7,579,871	5,501,616	67,771,505
2001		1,785,431,379	39,535,467	706,200,146	190,444,150	9,116,533	5,276,379	76,040,506

Source: Fairfax County Department of Finance.

(1) Includes revenues of all governmental fund types of the reporting entity.

(2) These figures include local matching grants, gifts, contributions, donations, donated food and other items.

Education	Non-departmental	Capital Outlay	Capital Leases and Installment Purchases	Debt Service	Total Reporting Entity
872,956,065	80,395,650	201,524,439	n/a	124,226,913	1,884,787,170
842,762,368	83,943,513	163,497,154	489,211	127,019,560	1,814,907,541
916,648,072	88,497,262	288,727,074	2,788,931	141,130,820	2,120,572,522
956,214,162	90,727,035	176,400,022	10,831,738	147,155,807	2,149,874,349
976,215,923	97,494,046	141,191,649	323,139	181,385,523	2,234,124,982
1,059,379,209	97,491,772	187,558,625	21,015,833	177,119,755	2,375,999,568
1,143,993,182	97,667,906	172,245,949	6,512,069	177,195,440	2,468,291,649
1,192,010,103	96,500,551	165,517,749	18,183,495	184,024,545	2,591,953,175
1,335,403,311	106,035,082	191,634,124	17,125,955	186,215,917	2,813,446,499
1,448,608,572	120,881,858	180,439,272	17,449,211	194,367,320	3,021,194,495

Recovered Costs	Other Income (2)	Total Reporting Entity
22,522,207	17,537,555	1,744,806,332
21,344,963	6,841,819	1,766,477,863
22,267,003	11,019,346	1,861,560,960
25,735,925	12,294,442	1,995,475,559
24,920,359	12,081,793	2,097,118,081
25,108,402	15,466,933	2,266,997,029
25,787,015	15,558,990	2,331,020,384
29,704,720	17,269,898	2,491,019,228
30,608,575	20,311,314	2,644,216,495
34,337,279	26,576,035	2,872,957,874

COUNTY OF FAIRFAX, VIRGINIA

TABLE 3 - Real and Personal Property Tax Levies and Collections (1)

Last Ten Fiscal Years

	Total Tax Levy	Current Tax Collections (2)	Percent of Levy Collected	Delinquent Tax Collected	Total Tax Collections (4)	Total Collections as a Percent of Current Levy	Outstanding Delinquent Taxes (3)	Outstanding Delinquent Taxes as Percent of Current Levy
1992	\$ 1,028,442,518	\$ 1,012,209,612	98.42 %	\$ 11,492,537	\$ 1,023,702,149	99.54 %	\$ 28,612,630	2.8 %
1993	1,019,270,623	1,007,987,360	98.89	13,725,571	1,021,712,931	100.24	27,324,800	2.7
1994	1,025,806,775	1,013,349,577	98.79	18,224,465	1,031,574,042	100.56	24,410,489	2.4
1995	1,058,499,590	1,048,276,460	99.03	12,999,865	1,061,276,325	100.26	17,386,036	1.6
1996	1,103,903,127	1,095,762,242	99.26	11,490,106	1,107,252,348	100.30	16,386,542	1.5
1997	1,203,645,063	1,195,311,803	99.31	6,479,062	1,201,790,865	99.85	14,417,247	1.2
1998	1,250,521,158	1,241,128,550	99.25	1,266,726	1,242,395,276	99.35	22,546,335	1.8
1999	1,308,121,856	1,299,200,665	99.32	12,088,313	1,311,288,978	100.24	22,184,966	1.7
2000	1,394,627,491	1,385,238,528	99.33	13,794,529	1,399,033,057	100.32	18,113,388	1.3
2001	1,524,861,295	1,512,566,783	99.19	10,745,651	1,523,312,434	99.90	18,664,827	1.2

Source: Fairfax County Department of Management and Budget, Department of Finance and the Department of Tax Administration.

(1) General Fund.

(2) Current tax collections include collection of current tax, penalty, and interest.

(3) Outstanding delinquent taxes include penalty and interest net of allowances for uncollectibles.

(4) Tax collections include payments received from the Commonwealth of Virginia under its tax-relief program. See Note M to the financial statements.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 4 - Assessed Value and Estimated Actual Value of All Taxable Property

Last Ten Fiscal Years

(figures expressed in thousands)

	Real Property (1)	Personal Property	Public Service Corporations	Total Assessed Value	Estimated Actual Value
1992	\$ 71,355,900	5,552,900	1,629,000	78,537,800	78,537,800
1993	67,192,500	5,641,200	1,813,000	74,646,700	74,646,700
1994	66,381,500	6,070,300	1,943,600	74,395,400	74,395,400
1995	66,912,100	6,775,400	2,015,200	75,702,700	75,702,700
1996	68,647,300	7,539,300	1,968,500	78,155,100	78,155,100
1997	70,510,800	8,257,400	2,085,700	80,853,900	80,853,900
1998	72,507,700	8,620,700	2,343,000	83,471,400	83,471,400
1999	75,500,700	9,070,800	2,515,200	87,086,700	87,086,700
2000	80,225,000	9,885,000	2,582,600	92,692,600	92,692,600
2001	87,334,100	10,820,500	2,893,900	101,048,500	101,048,500

Source: Fairfax County Department of Management and Budget and the Department of Tax Administration.

(1) Pursuant to the Code of Virginia, all real property assessments are required to be made at 100 percent of estimated actual value.

COUNTY OF FAIRFAX, VIRGINIA
TABLE 5 - General Property Tax Rates
 Last Ten Fiscal Years

		Personal Property			
		Real Estate	Most Vehicles	Machinery, Tools and R&D	Public Service Corporations
1992	\$	1.11	4.57	4.57	1.11
1993		1.16	4.57	4.57	1.16
1994		1.16	4.57	4.57	1.16
1995		1.16	4.57	4.57	1.16
1996		1.16	4.57	4.57	1.16
1997		1.23	4.57	4.57	1.23
1998		1.23	4.57	4.57	1.23
1999		1.23	4.57	4.57	1.23
2000		1.23	4.57	4.57	1.23
2001		1.23	4.57	4.57	1.23

Source: Fairfax County Department of Tax Administration.

Note: Real estate and personal property tax rates are based on \$100 of assessed value.

COUNTY OF FAIRFAX, VIRGINIA
TABLE 6 - Real Property Tax Rates and Tax Levies - All Overlapping Governments
 Last Ten Fiscal Years

		Town of Herndon		Town of Vienna	
		Tax Rates (1)	Tax Levies	Tax Rates (1)	Tax Levies
1992	\$	0.32	4,505,065	0.30	3,777,046
1993		0.32	4,108,772	0.30	3,797,220
1994		0.32	3,875,869	0.30	3,779,010
1995		0.32	3,832,983	0.30	3,779,010
1996		0.32	4,054,577	0.30	3,943,906
1997		0.32	4,308,590	0.31	4,192,373
1998		0.32	4,584,304	0.31	4,271,557
1999		0.32	5,219,698	0.31	4,465,739
2000		0.32	5,774,217	0.31	4,791,464
2001		0.32	5,754,853	0.31	4,636,899

Source: The Town of Herndon and the Town of Vienna.

(1) Real property tax rates are levied per \$ 100 of assessed value.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 7 - Principal Real Estate Taxpayers

June 30, 2001

Rank	Taxpayer Name	Property Type	2001 Assessed Value (1)	% of Total Assessed Value (1)
1	West Group Properties, LLC	Various Offices, Retail, Industrial and Land	\$ 514,094,740	0.52 %
2	Lehndorff Tysons Property	Tysons Corner Mall	451,669,035	0.45
3	Dominion Virginia Power	Public Utility	324,839,675	0.33
4	Franconia Two LP	Springfield Mall	242,866,665	0.24
5	Fairfax Company	Fair Oaks Mall	239,438,205	0.24
6	Smith Property Holdings	Various Commercial	222,548,560	0.22
7	California State Teachers	Office and Apartments	222,239,320	0.22
8	Prentiss Properties	Office and Land	204,131,350	0.20
9	Mobil Oil Corp	Headquarter Office and Various Commercial	195,032,110	0.20
10	EOP Reston Town Center	Office, Shopping Center and Land	194,800,980	0.20
11	Washington Gas Light Company	Public Utility	186,678,190	0.19
12	West Mac Associates	Various Offices and Land	176,834,970	0.18
13	Boston Properties LP	Various Offices and Land	173,459,405	0.17
14	Writ LP	Office, Apartments, Industrial and Shopping Centers	166,548,335	0.17
15	Gannett Company Inc.	Office	158,805,525	0.16
16	Avalon Properties Inc	Apartments	131,189,190	0.13
17	Navy Federal Credit Union	Various Offices and Land	128,717,240	0.13
18	Plaza America Office	Office and Land	126,376,375	0.13
19	Springfield Campus LLC	Continuing Care Retirement Community	125,212,045	0.13
20	Summit Properties	Apartments and Land	120,241,855	0.12
21	Fairfax Square Partners	Office and Retail	118,201,175	0.12
22	TST Woodland Funding	Office	110,474,510	0.11
23	Westpark Corporate	Office	108,025,630	0.11
24	Mitre Corporation	Office	107,710,830	0.11
25	Brandywine Grande B LP	Office and Land	105,231,870	0.11
			<u>\$ 4,855,367,785</u>	<u>4.87 %</u>

Source: Department of Tax Administration

(1) Assessed values as of January 1, 2001

Note: Total assessed value of all property is \$99,793,391,730.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 8 - Computation of Debt Margin

June 30, 2001

The Commonwealth of Virginia does not impose a legal limit on the amount of general obligation indebtedness which Fairfax County can at any time incur or have outstanding. The Board of Supervisors, however, has imposed limits which provide that the County's long-term debt should not exceed three percent of the total market value of taxable real and personal property in the County and the annual debt service should not exceed ten percent of the annual combined general fund expenditures and transfers. Below is the computation of the self-imposed three percent debt limit. The computation of the annual debt service percentage is presented in Table 10.

Self-imposed debt limit	
(3 percent of market value \$99,793,391,730)	\$ 2,993,801,752
Less net bonded debt (1)	<u>1,441,687,525</u>
	<u>\$ 1,552,114,227</u>

Source: Fairfax County Department of Management and Budget and Fairfax County Department of Finance.

(1) Excludes self-imposed debt of the Integrated Sewer System, special assessment debt of the Small District 1 in the Dranesville District (McLean Community Center) and the Fairfax County EDA and FCRHA lease revenue bonds, which are not general obligations of Fairfax County.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 9 - Comparative Ratio of Net Bonded Debt to Estimated Actual Value of Taxable

Property and Net Bonded Debt Per Capita

Last Ten Fiscal Years

	Estimated Population (1)	Value of Taxable Property (000)	Net Bonded Debt (2)	Percentage of Net Bonded Debt to Property Value	Net Debt Per Capita
1992	837,100	\$ 78,537,800	\$ 940,358,345	1.20 %	\$ 1,123
1993	851,900	74,646,700	1,010,513,523	1.35	1,186
1994	863,100	74,395,400	1,110,177,500	1.49	1,286
1995	879,400	75,702,700	1,136,368,575	1.50	1,292
1996	899,700	78,155,100	1,167,504,650	1.49	1,298
1997	912,100	80,853,900	1,219,735,725	1.51	1,337
1998	931,500	83,471,400	1,258,171,800	1.51	1,351
1999	946,400	87,086,700	1,314,377,875	1.51	1,389
2000	969,700	92,692,600	1,380,266,450	1.49	1,423
2001 (estimate)	983,000	101,048,500	1,441,687,525	1.43	1,467

Source: Fairfax County Department of Management and Budget.

(1) Source: Fairfax County Department of Systems Management for Human Services, Research, Analysis and Project Services, 1998 estimate. 1999 projection; U.S. Bureau of Census, 1990 Decennial Census.

(2) Excludes self-supported debt of the Integrated Sewer System, special assessment debt of the Small District 1 of the Dranesville District (McLean Community Center) and Small District 5 of the Centreville and Dranesville Districts (Reston Community Center), and the Fairfax County EDA and FCRHA lease revenue bonds, which are not general obligation bonds of Fairfax County.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 10 - Ratio of Annual Debt Service Requirements for General Obligation Bonded Debt to General Fund Expenditures and Operating Transfers Out and to Total Expenditures Reported in Table 1

Last Ten Fiscal Years

	Debt Service Requirements (1)	General Fund Expenditures (2) and Operating Transfers Out (3)	Percentage of Debt Service to General Fund Expenditures and Transfers Out	Total Expenditures Reported in Table 1	Percentage of Debt Service to Total Expenditures Reported in Table 1
1992	\$ 124,197,591	\$ 1,366,325,337	9.1 %	\$ 1,884,787,170	6.6 %
1993	124,683,326	1,357,105,721	9.2	1,814,907,541	6.9
1994	129,675,197	1,394,808,186	9.3	2,120,572,522	6.1
1995	132,902,278	1,487,080,719	8.9	2,149,874,349	6.2
1996	142,754,018	1,602,457,378	8.9	2,234,124,982	6.4
1997	152,571,474	1,682,606,121	9.1	2,375,999,568	6.4
1998	162,970,744	1,756,990,140	9.3	2,468,291,649	6.6
1999	162,622,554	1,849,587,185	8.8	2,591,953,175	6.3
2000	176,004,197	1,982,577,128	8.9	2,813,446,499	6.3
2001	183,740,487	2,148,334,971	8.6	3,021,194,495	6.1

Source: Fairfax County Department of Management and Budget and Fairfax County Department of Finance.

(1) Excludes bond issuance and other expenditures recorded in the Debt Service Funds.

(2) Expenditures:

Exclude donated food.

Exclude capital leases and installment purchases in the year initiated.

Include the Federal Revenue Sharing Trust Fund for 1992.

(3) Include operating transfers out to Component Units.

COUNTY OF FAIRFAX, VIRGINIA

Table 11 - Computation of Direct and Overlapping and Underlying Debt

June 30, 2001

	Net Debt Outstanding	Applicable to County	County's Share of Debt
Direct: (1)			
Fairfax County	\$ 1,441,687,525	100 %	\$ 1,441,687,525
Overlapping: (2)			
Commonwealth of Virginia (3)	89,785,000	47 (4)	42,198,950
Underlying: (2)			
Town of Vienna (5)	15,155,000	100	15,155,000
Town of Herndon (6)	17,020,000	100	17,020,000
Small District One of the Dranesville District (McLean Community Center)	600,000	100	600,000
Total overlapping and underlying debt			74,973,950
Total direct and overlapping and underlying debt			\$ 1,516,661,475

(1) Excludes Fairfax County Integrated Sewer System debt, which is self-supported, and the Fairfax County EDA and FCRHA lease revenue bonds, which are not general obligations bonds of Fairfax County.

(2) These overlapping and underlying general obligation bonds are obligations for the respective governmental units and are not general obligations of Fairfax County.

(3) Source: Virginia Department of Transportation.

(4) Percentage applicable to the County of 47% is an estimate based on the projected development of Route 28 to the year 2018.

(5) Source: Town of Vienna.

(6) Source: Town of Herndon.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 12 - Schedule of Revenue Bond Coverage for the Integrated Sewer System

Last Ten Fiscal Years

	Gross Revenues (1)	Gross Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
1992	\$ 64,641,014	57,659,599	6,981,415	900,000	5,145,150	6,045,150	1.15
1993	63,513,230	59,365,008	4,148,222	900,000	5,090,700	5,990,700	0.69
1994	66,031,357	64,119,338	1,912,019	1,280,000	4,541,207	5,821,207	0.33
1995	75,995,512	65,667,728	10,327,784	1,595,000	4,242,423	5,837,423	1.77
1996	80,302,988	64,841,441	15,461,547	1,920,000	4,141,183	6,061,183	2.55
1997	82,869,931	66,743,739	16,126,192	1,945,000	7,274,794	9,219,794	1.75
1998	87,324,880	69,213,583	18,111,297	2,280,000	9,916,448	12,196,448	1.48
1999	88,687,367	72,578,704	16,108,663	2,310,000	9,766,496	12,076,496	1.33
2000	89,083,333	71,163,498	17,919,835	3,610,000	9,609,885	13,219,885	1.36
2001	95,421,900	76,688,440	18,733,460	4,050,000	9,406,135	13,456,135	1.39

Source: Fairfax County Department of Finance.

(1) Gross revenues include all revenues, except sewer availability fees.

(2) Gross expenses include all expenses, except depreciation and amortization, and interest on the revenue bonds.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 13 - Demographic Statistics

Last Ten Fiscal Years

	Estimated Population (1)	Per Capita Income (2)	Median Age (3)	School Enrollment (4)	Residents with Bachelor's or Higher Degree and 25 years of Age or Older (5)	Unemployment Rates (6)
1992	837,100	\$ 33,611	n/a	133,198	51.3 %	3.8 %
1993	851,900	35,250	n/a	135,102	n/a	3.3
1994	863,100	35,689	n/a	137,495	56.0	3.1
1995	879,400	38,055	35.0	140,097	n/a	2.8
1996	899,700	39,531	36.0	143,040	56.0	2.8
1997	912,100	41,910	n/a	145,805	n/a	2.3
1998	931,500	44,303	37.0	148,036	n/a	1.6
1999	946,400	46,829	n/a	151,418	n/a	1.6
2000	969,700	49,729	36.0	154,523	n/a	1.3
2001 (estimate)	983,000	52,799	n/a	158,331	n/a	n/a

(1) Source: Fairfax County Department of Systems Management for Human Services, Research, Analysis and Project Services, 1992-2000, estimates
U.S. Bureau of Census, 1990 Decennial Census.

(2) Bureau of Economic Analysis, U.S. Department of Commerce, 1992 - 1997 includes Fairfax City and Falls Church City. All data reflects revision based
on the 1990 Decennial Census.

(3) Fairfax County Department of Systems Management for Human Services, Research, Analysis and Project Services, 1994 and 1996 Household Surveys,
U.S. Bureau of Census, 1990 Decennial Census, 1995 Fairfax-Falls Church Community Needs Assessment.

(4) Revised figures from Fairfax County Public Schools, Office of Finance.

(5) U.S. Bureau of Census, 1990 Decennial Census, Department of Systems Management for Human Services, Research, Analysis and Project Services
Research Household Survey 1992, 1994 and 1996.

(6) Virginia Employment Commission and Economic Information Services Division.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 14 - Construction and Property Values

Last Ten Fiscal Years

New Nonresidential Construction (2)			New Residential Construction (2)		Property Values (1)			
Permits Issued		Value	Permits Issued	Value	Real Estate	Personal Property	Public Service Corporations (3)	Tax Exempt Real Estate (4)
1992	182	\$ 101,721,170	4,454	\$ 414,074,970	\$ 71,355,922,307	\$ 5,552,919,312	\$ 1,628,971,835	\$ 6,236,850,155
1993	249	252,184,670	6,029	595,966,778	67,192,565,816	5,641,162,613	1,812,976,588	6,011,207,970
1994	196	143,897,502	7,118	687,368,008	66,381,530,225	6,070,286,079	1,943,555,667	5,905,161,530
1995	199	126,710,738	7,078	613,991,830	66,912,058,915	6,775,449,832	2,015,186,528	5,939,516,685
1996	166	107,445,212	8,567	646,767,481	68,647,337,083	7,539,322,818	1,968,434,344	6,163,599,210
1997	174	135,280,541	6,159	562,992,823	70,510,846,660	8,257,430,131	2,085,658,510	6,227,028,830
1998	374	583,075,894	7,500	592,779,156	72,507,682,945	8,620,663,075	2,340,039,649	6,508,338,320
1999	293	422,293,000	8,601	679,858,000	75,497,346,160	9,070,825,332	2,515,568,628	6,690,019,215
2000	264	636,166,852	8,667	728,963,895	80,111,937,890	9,885,183,407	2,582,560,935	7,036,623,580
2001	258	502,247,551	6,767	613,342,434	87,334,092,583	10,820,524,466	2,893,923,463	7,812,420,255

(1) Source: Fairfax County Department of Tax Administration.

(2) Source: Fairfax County Department of Public Works and Environmental Services.

Effective July 1997, the number of building permits issued for new residential construction
exclude duplicated permits that result from the master file permit program.

(3) Consists of \$826,274,415 real property and \$2,067,649,048 personal property in 2001.

(4) Source: Fairfax County Department of Tax Administration. This value is
determined on January 1 for the subsequent July 1 to June 30 fiscal year.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 15 - Miscellaneous Statistical Data

(As of June 30, 2001, unless otherwise indicated)

A. Date of establishment:	1742
B. Form of government:	Urban County Executive
C. Area:	399 square miles
D. Miles of sanitary sewers:	3,177
E. Fire protection:	
1. Number of stations owned:	
a. County-operated fire and rescue stations	20
b. Volunteer fire and rescue stations	11
c. County-owned/volunteer participation stations	4
Total fire stations	35
2. Number of authorized positions:	1,183 uniform/103 civilian
F. Police protection:	
1. Number of authorized positions:	1,251 sworn/526 civilian
2. Number of police vehicles:	1,173
3. Number of helicopters:	2
4. Correctional operations (facilities and population):	
a. Number of authorized positions	445 sworn/92 civilian
b. Number of correctional facilities	2
Adult Detention Center (jail) capacity	1,040 beds
Pre-Release Center (community corrections) capacity	100 beds
Total capacity	1,140 beds
c. Number of prisoners booked	51,507
G. Recreation:	
1. Number of County parks (including stream valleys):	386
2. Number of regional parks:	10 (1)
3. Number of acres in County parks:	20,061
4. Facilities in County parks:	

	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Athletic fields	285	286	293	293	295	290
Trail miles	178	179	180	182	190	206
Garden plots	825	825	825	825	825	825
Play areas and tot lots	268	270	271	271	197	201
Tennis courts	248	250	252	252	222	222
Multi-use courts	116	117	118	138	135	143
Recreational centers	8	8	8	8	8	8
Golf courses	5	5	7	7	7	7
Historic sites	28	28	49	51	54	54
Nature/visitor centers	6	6	6	6	7	7
Marinas	3	3	3	3	3	3

H. Public education system:	
1. Number of public schools:	
a. Elementary	131
b. Middle	21
c. High - secondary	24
d. Special education centers	25
e. Alternative high schools	3
2. Number of personnel:	19,970
3. Number of students:	158,331

COUNTY OF FAIRFAX, VIRGINIA

TABLE 15 - Miscellaneous Statistical Data

(As of June 30, 2001, unless otherwise indicated)

(Continued)

I.	Number of street lights:	49,345
J.	Number of authorized County positions:	
	1. General fund	9,212
	2. General fund supported	1,253
	3. Other funds	852
	Total	<u>11,317</u>

K. Population:

1. Census population count for last three censuses:
 - a. 2000 census population count 969,700
 - b. 1990 census population count 818,584
 - c. 1980 census population count 596,901

2. Age distribution of population:

Age Group	1980	1990	2000
Less than 5	38,326	57,892	67,781
5 - 9	45,307	55,698	70,076
10 - 14	54,936	53,112	68,544
15 - 19	54,754	54,207	59,762
20 - 24	47,646	59,425	52,425
25 - 34	112,191	158,602	150,257
35 - 44	98,037	158,119	178,871
45 - 54	70,151	107,709	157,350
55 - 64	48,564	60,276	87,865
65 and over	26,989	53,544	76,818
Total	596,901	818,584	969,749

3. Median household income last three censuses: (2)
 - a. 2000 census median household income 91,000
 - b. 1990 census median household income 57,000
 - c. 1980 census median household income 30,000
4. Per capita income last three censuses: (2)
 - a. 2000 per capita income 49,729
 - b. 1990 per capita income 29,857
 - c. 1980 per capita income 14,419

(1) Includes Parks of the Northern Virginia Regional Park Authority, the Commonwealth of Virginia and the U.S. Department of Interior.

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce and U.S. Bureau of Census.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 16 - Continuing Bond Disclosure Supplementary Data

(As of June 30, 2001, unless otherwise indicated)

The following data, in addition to data presented elsewhere in this report, are presented to satisfy continuing disclosure requirements relative to certain outstanding bond issues.

A. Largest private employers:

Company	Type of Business	County Employment Range
1 Inova Health System	Health Services	9,000-10,000
2 Science Applications Internation Corp. (SAIC)	Engineering, Accounting & Research & Research Management Services	5,000-6,000
3 Booz-Allen & Hamilton, Inc.	Business Services	4,000-5,000
4 American Management Systems, Inc. (AMS)	Business Services	4,000-5,000
5 Verizon	Communications	3,000-4,000
6 Exxon Mobil Cooperation	Petroleum Refining & Related Industries	3,000-4,000
7 Federal Home Loan Mortgage Association	Nondepository Credit Institutions	3,000-4,000
8 Litton/TASC	Business Services/ Engineering Services	2,000-3,000
9 Navy Federal Credit Union	Depository Institutions	2,000-3,000
10 UUNet Technologies	Communications	2,000-3,000
11 Raytheon Company	Business Services/ Manufacturing	2,000-3,000
12 Lockheed Martin Corporation	Business Services/ Transportation Equipment	2,000-3,000
13 TRW, Inc.	Engineering, Accounting & Research Services/ Transportation Equipment	2,000-3,000
14 Sprint	Communications	2,000-3,000
15 Electronic Data Systems Corporation (EDS)	Business Services	2,000-3,000
16 Cable & Wireless, Inc.	Communications	1,000-2,000
17 Computer Sciences Corporation (CSC)	Business Services	1,000-2,000
18 Accenture	Business Services	1,000-2,000
19 AT&T	Communications	1,000-2,000
20 PriceWaterHouseCoopers	Business Services	1,000-2,000
21 Mitre Corporation	Engineering, Accounting & Research Services	1,000-2,000
22 Nextel Communications, Inc.	Communications	1,000-2,000
23 Oracle	Business Services	1,000-2,000
24 Unisys	Business Services	1,000-2,000
25 First Virginia	Depository Institutions	1,000-2,000

Source: Fairfax County Economic Development Authority and Fairfax County Department of Management and Budget

Note: Employment estimates for separate facilities of the same firm have been combined. Employment ranges are given to ensure confidentiality.

B. Businesses and employment by industry: (1)

Industrial Classification	Number of Establishments	Employment
Agriculture	412	5,375
Manufacturing	484	14,222
Mining	4	95
Wholesale Trade	1,803	23,544
Construction	2,220	32,452
Transportation, Communications, Utilities	833	35,022
Retail Trade	4,006	80,349
Services (2)	15,008	256,811
Finance, Insurance, Real Estate	2,596	34,362
Local/State/Federal Government	200	61,584
Non-Classified	6	9
Total	27,572	543,825

Source: Virginia Employment Commission.

Source: Fairfax County Economic Development Authority and Fairfax County Department of Management and Budget.

(1) Excludes self-employed business owners.

(2) The Services category includes computer-related services, health care, legal, personal, engineering and architects, and other services, as well as membership organizations and trade associations.

COUNTY OF FAIRFAX, VIRGINIA

TABLE 16 - Continuing Bond Disclosure Supplementary Data

(As of June 30, 2001, unless otherwise indicated)

(Continued)

C. New or expanded employment by industry:

Name of Company	Nature of Operations	Square Footage Leased	Projected New Employment
AMS	Professional Services	249,000	1,000
Above Net Communications	Internet Data Center	367,500	214
Aether Systems	Technical Services	157,800	630
Capital One/Capital One Financial	Financial/Technical Services	630,000	1,100
Cisco Systems	Technical Services	183,300	730
Computer Associates International	Computer Services	235,000	500
Deloitte & Touche LLP	Professional Services & Management Consulting	100,000	500
DynCorp	Technical Services	54,300	200
E-Spire	Telecommunications Service	170,000	700
Gilat Satellite Networks	Satellite Communications	98,400	410
Global One	Telecommunications Services	113,400	500
Intel	Internet Data Center	73,000	250
Nextel Communications	Telecommunications Service	132,000	700
SAIC	Technical Services	182,500	685
Siebel Systems	Technical Services	110,000	440
Teleglobe Communications	Telecommunications Services	126,000	360

Source: Fairfax County Economic Development Authority

D. Commercial-industrial percentage of the total assessed value of real property:

Fiscal Year (1)	Percent (2)
1992	25.66
1993	22.82
1994	20.94
1995	19.58
1996	19.04
1997	19.56
1998	20.47
1999	21.84
2000	24.32
2001	25.37

Source: Fairfax County Department of Tax Administration.

(1) Fiscal year property taxes are levied on prior year assessments.

(2) Includes the Towns of Vienna, Herndon and Clifton.

E. Housing units by type of structure:

	1970		1980		1990		2000	
	No.	%	No.	%	No.	%	No.	%
Single Family:								
Detached	91,134	69.7	125,580	59.3	163,029	53.9	181,591	50.3
Attached	6,427	4.9	30,833	14.6	67,306	22.3	87,171	21.2
Multi-Family	33,207	25.4	55,333	26.1	72,129	23.8	90,198	28.5
Total	130,768	100.0	211,746	100.0	302,464	100.0	358,960	100.0

Source: 1970 U.S. Bureau of the Census, U.S. Census of Housing, 1980, 1990 and 1998 data were provided by the Fairfax County Department of Systems for Management for Human Services, Research, Analysis and Project Services.

Single-family detached includes all single-family homes and mobile homes, single-family attached includes duplexes, townhouses and multiple units. Multi-family includes garden and elevator units.

F. Per capita taxable sales:

Fiscal Year	Taxable Sales (000) (1)	Population (2)	Per Capita Taxable Sales
1991	\$ 6,400,870	827,200	\$ 7,937
1992	6,581,700	837,100	7,862
1993	7,471,800	851,900	8,771
1994	7,958,700	863,100	9,201
1995	8,313,400	879,400	9,453
1996	8,497,200	899,700	9,448
1997	9,039,034	912,100	9,910
1998	9,646,723	931,500	10,357
1999	10,618,051	946,400	11,219
2000	11,322,907	969,700	11,676

(1) Source: Commonwealth of Virginia Department of Taxation.

(2) Source: Fairfax County Department of Systems Management for Human Services, Research, Analysis and Project Services.